



GUERNSEY STATUTORY INSTRUMENT

2020 No. 75

**The Social Insurance (Contributions) (Amendment and  
Transitional Provisions) Regulations, 2020**

<i>Made</i>	<i>17<sup>th</sup> August, 2020</i>
<i>Coming into operation</i>	<i>18<sup>th</sup> August, 2020</i>
<i>Laid before the States</i>	<i>, 2020</i>

THE COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY, in exercise of the powers conferred on it by sections 6, 8, 11, 15 and 116 of the Social Insurance (Guernsey) Law, 1978<sup>a</sup> and all other powers enabling it in that behalf, hereby makes the following Regulations:-

**Amendment of the Social Insurance (Contributions) Regulations, 2000.**

1. The Social Insurance (Contributions) Regulations, 2000<sup>b</sup> ("the principal Regulations") are amended as follows.

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<sup>a</sup> Ordres en Conseil Vol. XXVI, p. 292; as amended by Ordres en Conseil Vol. XXVII, p. 307; Vol. XXIX, p. 24; Vol. XXXVI, p. 123; Order in Council No. IX of 2001 and No. XXIV of 2003; Ordinance No. XLIV of 2007; No. XLII of 2009; and No. IX of 2016; there are other amendments not relevant to these Regulations.

<sup>b</sup> G.S.I. No. 49 of 1999; amended by Ordinance No. IX of 2016; regulation 10 was substituted by G.S.I No. 37 of 2005 and was amended by G.S.I. No. 90 of 2009 and No. 2 of 2018; there are other amendments not relevant to these Regulations.

2. In the definition of "relevant income" in regulation 10(3)(e) of the principal Regulations (assessment of income-related Class 2 and Class 3 contributions)–

(a) for subparagraph (i)(bb) substitute -

"(bb) in relation to any relevant contribution year after and including 2003 but before 2021, the year of charge ending one year before that year, or

(cc) in relation to any relevant contribution year after and including 2021, the year of charge comprising the same calendar year, or",

(b) for subparagraph (ii)(bb) substitute –

"(bb) in relation to any relevant contribution year after and including 2003 but before 2021, the year of charge ending one year before that year, or

(cc) in relation to any relevant contribution year after and including 2021, the year of charge comprising the same calendar year, or",

(c) in subparagraph (iii) –

(i) in subparagraph (bb), after "including 2003" insert "but before 2006",

(ii) in subparagraph (cc), after "including 2006" insert "but before 2021", and

- (iii) after subparagraph (cc) insert –
  - "(dd) in respect of any relevant contribution year after and including 2021, the amount of the earned income included in the assessable income of that person for the year of charge comprising the same calendar year, other than income derived from any employment under a contract of service, or",
- (d) at the beginning of subparagraph (iv) insert " in respect of any relevant contribution year before 2021,",
- (e) in subparagraph (v) -
  - (i) in subparagraph (bb) after "including 2003" insert "but before 2006",
  - (ii) in subparagraph (cc), after "including 2006" insert "but before 2021", and
  - (iii) after subparagraph (cc) insert –
    - "(dd) in respect of any contribution year after and including 2021, all income (other than income derived from any employment, whether or not under a contract of service, in respect of which contributions have been paid by or on behalf of that person under the Law) included in the assessable income of that person for the

year of charge comprising the same calendar year, or".

3. In regulation 27(1)(a) of the principal Regulations (payment of class 2 contributions), after "such form" insert ", including electronic form,".

4. In regulation 29 of the principal Regulations (replacement of lost or defaced contribution card)-

(a) renumber regulation 29 as regulation 29(1),

(b) in paragraph (1), after "lost, or", insert "in the case of a contribution card in hard copy form",

(c) after paragraph (1) insert –

"(2) For the avoidance of doubt, the obligation in paragraph (1) may be met where the original Class 2 or Class 3 contribution card is in hard copy or electronic form, by obtaining a replacement card from the Committee in electronic form.".

5. In regulation 30(2) of the principal Regulations (contribution cards not to be assigned, defaced etc.), after "contribution card" insert "which is in hard copy form".

6. After regulation 36 of the principal Regulations (credits on termination of full-time education or training) insert –

"Credits for employed persons present in Guernsey during the Covid-19 lockdown period.

36A. A person who was an employed person on the 25<sup>th</sup> March, 2020 shall be entitled to be credited with a Class 1 contribution in respect of any week –

- (a) falling within the period beginning on the 25<sup>th</sup> March, 2020 and ending on the 19<sup>th</sup> June, 2020, and
- (b) during which the person was present for any part of that week in Guernsey and was not liable to pay a primary Class 1 contribution."

Transitional Provisions.

7. (1) Despite the amendments made by regulation 2 to provide for a change to the basis of assessment of income-related Class 2 and Class 3 contributions in relation to any contribution year beginning on or after 1<sup>st</sup> January, 2021, a person who–

- (a) has made or makes an application under regulation 10(1) of the principal Regulations ("**regulation 10 application**") which relates, or is deemed to relate under that regulation, to the contribution year beginning on the 1<sup>st</sup> January, 2020, and
- (b) has not become a self-employed person or non-employed person during the course of the contribution year beginning on the 1<sup>st</sup> January, 2020 or the 1<sup>st</sup> January, 2019,

has a right to make an election falling within paragraph (2), in such form or manner as the Committee may require, on or before 31<sup>st</sup> December, 2026.

(2) An election falls within this paragraph, if the applicant elects, for the purposes of the relevant part of the definition of "**relevant income**" in regulation 10(3)(e) of the Principal Regulations –

(a) that the applicant's earnings, income or earned income, as the case may be, in relation to the contribution year beginning on the 1<sup>st</sup> January, 2020, is that for the 2020 year of charge, or

(b) in respect of an applicant who has become a self-employed or non-employed person during the course of the contribution year commencing on 1<sup>st</sup> January, 2018, that the applicant's earnings, income or earned income, as the case may be, in relation to the contribution year beginning on the 1<sup>st</sup> January, 2020, is whatever is the lower of –

(i) that for the 2020 year of charge, or

(ii) that for the 2019 year of charge.

#### **Interpretation.**

8. In these Regulations, unless the context requires otherwise, for "**the principal Regulations**": see regulation 1 and other terms or expressions have the same meaning as in regulation 1 or 10, as the case may be, of the principal Regulations.

#### **Citation.**

9. These Regulations may be cited as the Social Insurance (Contributions) (Amendment and Transitional Provisions) Regulations, 2020.

Commencement.

10. These Regulations shall come into force on the 18<sup>th</sup> August, 2020.

Dated this 17<sup>th</sup> day of August, 2020



M. K. LE CLERC

President of the Committee for Employment & Social Security

For and on behalf of the Committee

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Social Insurance (Contributions) Regulations, 2000 ("the 2000 Regulations") to provide for a change to the basis of assessment of income-related Class 2 (self-employed) and Class 3 (non-employed) contributions in relation to any contribution year beginning on or after 1<sup>st</sup> January 2021 so as to pay contributions based on actual income for that year. This is to align the basis of assessment for such social insurance contributions to be consistent with that for income tax.

The Regulations also allow for an election to be made in respect of the contribution year 2020 to pay self-employed or non-employed contributions on actual income for that year. The right to make an election is given because many self-employed and non-employed persons may have had a reduced income in 2020 due to coronavirus (regulations 2 and 7).

These Regulations also amend the 2000 Regulations, to award contribution credits to those classified as employed contributors at 25<sup>th</sup> March 2020 who lack contributions on their record for the period of lockdown due to COVID-19 from 25<sup>th</sup> March to 19<sup>th</sup> June, 2020 (see regulation 6).

These Regulations also amend the 2000 Regulations to clarify that Class 2 or Class 3 contributions cards may be in electronic form and make other consequential amendments (regulations 3 to 5).

These Regulations will come into force on the 18<sup>th</sup> August, 2020.