



Isle of Man
Government

Reilhtys Ellan Vannin

The Treasury *Yn Tashtey*

Assessor
I Q Kelly

Telephone: (01624) 685400
Fax: (01624) 685351
E-mail: incometax@itd.gov.im
Website: www.gov.im/incometax

INCOME TAX DIVISION

Government Office, Douglas
Isle of Man, British Isles
IM1 3TX

PRACTICE NOTE

PN 39/92

Date: 14th April 1992

Employers' National Insurance Rebate

Introduction

The Social Security Legislation (Application)(No. 7) Order 1992 provides the authority for the setting-up of a temporary rebate scheme relating to specified National Insurance Contributions payable by employers. Under a Direction issued by the Treasury to the Department of Health and Social Security (DHSS) an employer will be entitled to reduce the monthly payments made to the Income Tax Division.

Employers

All employers in the Isle of Man will be eligible for the rebate other than--

Government Departments

Statutory Boards

Local Authorities

and any other public body.

Employments

The employers share of the National Insurance Contribution (technically known as secondary Class 1 Contributions) will be eligible for the rebate provided the relevant employee is a person subject to income tax in the Isle of Man and for whom a code authorisation has been issued by the Income Tax Division.

Non-resident employees for whom an automatic coding procedure is followed, e.g. tourist industry, are included within the scheme; non-resident employees who are not liable to Manx income tax but for whom the Manx employer operates the UK PAYE scheme (or no scheme at all) are not included in the scheme.

Contributions Eligible For Rebate

The rebate will apply to secondary Class 1 contributions due on earnings paid within the income tax year commencing on the 6th April 1992 and ending on the 5th April 1993. In

determining the amount of any secondary contribution liable for rebate the normal rules on earnings periods and the calculation of Class 1 contribution liability contained in Social Security Acts and Regulations shall apply.

Method Of Obtaining Rebates

Rebates will be obtained by deducting 10% from the total of employer's national insurance contributions eligible for rebate and remitting the balance to the Income Tax Division. A copy of the revised Remittance Card T35 is attached. In the event of any errors in the calculation of secondary contribution liability or rebates, as the case may be, employers may recover any under-deductions or repay any over-deductions by adjusting subsequent payments of contributions made to the

Income Tax Division for the period to which the scheme relates.

At the year end a check will be made to ensure that the correct amount has been deducted. Any under-deduction not recovered by an employer during the year will be paid by the DHSS Any over-deduction will be liable to be paid to, and will be reclaimed by, the DHSS.

Late Payments

Rebates will only be payable to those employers who act in a responsible manner by complying with the requirements of the I.T.I.P. and N.I.C. Regulations. In particular, rebates may not be claimed where the monthly remittance on Form T35 to the Income Tax Division is made late. For this purpose a payment will be considered to be late if proceedings have to be taken in any Court in the Isle of Man in respect of outstanding national insurance payments on which the rebate would have been due.

Further Advice

Any employer who experiences difficulty in operating the scheme or who would like further information should contact the Income Tax Division (telephone 685410) or Department of Health and Social Security (telephone 685042 or 685043).