STATUTORY INSTRUMENTS

# 2026 No. 341

# SOCIAL SECURITY

## The Social Security Contributions and Benefits Act 1992 (Modification of Section 4A) Order 2026

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| *Made - - - -* | *24th March 2026* |
| *Laid before Parliament* | *25th March 2026* |
| *Coming into force - -* | *26th March 2026* |

The provisions of Chapter 11 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003(**1**) were inserted by section 24 of the Finance Act 2026(**2**).

It appears to the Treasury to be expedient, in consequence of those amendments, to modify the provisions of section 4A of the Social Security Contributions and Benefits Act 1992(**3**) for the purpose of assimilating the law relating to income tax and the law relating to contributions under Part 1 of that Act.

Accordingly, the Treasury, with the concurrence of the Secretary of State, make this Order in exercise of the powers conferred by section 4A(9) of the Social Security Contributions and Benefits Act 1992.

### Citation and commencement

**1.** This Order may be cited as the Social Security Contributions and Benefits Act 1992 (Modification of Section 4A) Order 2026 and comes into force on 26th March 2026.

### Modification of the Social Security Contributions and Benefits Act 1992

**2.** In section 4A of the Social Security Contributions and Benefits Act 1992 (earnings of workers supplied by service companies etc.)—

(a) after subsection (2B) insert—

"(2C) Regulations may also make provision—

(a) for a person ("a jointly liable person") to be jointly and severally liable for contributions payable by an umbrella company, including contributions payable

(**1**) 2003 c. 1.
(**2**) 2026 c. 11.
(**3**) 1992 c. 4. Section 4A was inserted by section 75 of the Welfare Reform and Pensions Act 1999 (c. 30) and amended by paragraph 289 of Schedule 1 to the Income Tax Act 2007 (c. 3). It was also amended by S.I. 2003/1874 and 2007/2071.

as a result of provision made by virtue of paragraph (c), in respect of earnings paid to or for the benefit of an earner ("the worker") in circumstances where the jointly liable person is jointly and severally liable for amounts in respect of the employment of the worker as a result of Chapter 11 of Part 2 of ITEPA 2003,

(b) in connection with the recovery of those contributions from a jointly liable person, and

(c) for securing that, where an individual is treated for income tax purposes, as a result of section 61Z1 of ITEPA 2003, as holding an employment with a purported umbrella company, within the meaning of that section—

(i) payments or benefits of any specified description made or provided in connection with the performance by the individual of the services to which the deemed employment relates are treated for the purposes of the applicable provisions of this Act as earnings paid to the worker in respect of an employed earner's employment,

(ii) the individual is treated for those purposes, in relation to such payments or benefits, as employed in the employed earner's employment by the purported umbrella company, and

(iii) the purported umbrella company, whether or not fulfilling the conditions prescribed under section 1(6)(a) for secondary contributors, is treated for those purposes as the secondary contributor in respect of those payments or benefits.";

(b) in subsection (3)(g), for "or the MSC" substitute ", the MSC or an umbrella company";

(c) in subsection (4)—

(i) in paragraph (a), after "intermediary" insert ", an umbrella company or a jointly liable person";

(ii) in paragraph (b)(i), for "or the MSC" substitute ", the MSC, an umbrella company or a jointly liable person";

(d) in subsection (6), at the appropriate place insert—

""umbrella company" has the same meaning as it has for the purposes of Chapter 11 of Part 2 of ITEPA 2003.".

*Taiwo Owatemi*
*Stephen Morgan*
Two of the Lords Commissioners of His Majesty's Treasury

24th March 2026

The Secretary of State concurs as indicated in the preamble
Signed by authority of the Secretary of State for Work and Pensions

*Stephen Timms*
Minister of State
Department for Work and Pensions

24th March 2026

## EXPLANATORY NOTE

*(This note is not part of this Order)*

This Order modifies section 4A of the Social Security Contributions and Benefits Act 1992 ("SSCBA") in consequence of the insertion of Chapter 11 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003 ("ITEPA 2003") by the Finance Act 2026.

Article 2(a) inserts new paragraph (2C) and provides the Treasury with a power to treat a person as jointly and severally liable, with an umbrella company, for contributions payable in respect of earnings provided to or for the benefit of a worker, where that person is already jointly and severally liable in relation to income tax under Chapter 11 of Part 2 of ITEPA 2003.

It further permits regulations to make provision for the recovery of such contributions from a jointly liable person.

In addition, where an individual is treated for income tax purposes, by virtue of section 61Z1 of ITEPA 2003, as holding an employment with a purported umbrella company, regulations may secure that payments or benefits of a specified description are treated as earnings for contributions purposes, that the individual is regarded as employed in relation to those payments or benefits, and that the purported umbrella company is treated as the secondary contributor in respect of those payments or benefits.

Paragraphs (b) and (c) of Article 2 make further modifications to subsections (3) and (4) of section 4A of the SSCBA to provide powers to disregard an employed earner's employment, in relation to relevant payments or benefits, and for the deduction of specified amounts, in respect of general expenses, and secondary Class 1 contributions.

A Tax Information and Impact Note covering this instrument has been published on the website at: https://www.gov.uk/government/publications/paye-changes-for-the-umbrella-company-market.