

National Insurance Contributions (Reduction in Rates) (No. 2) Bill

EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by HM Revenue & Customs, have been ordered to be published as HL Bill 54—EN.

EUROPEAN CONVENTION ON HUMAN RIGHTS

Baroness Vere of Norbiton has made the following statement under section 19(1)(a) of the Human Rights Act 1998:

In my view the provisions of the National Insurance Contributions (Reduction in Rates) (No. 2) Bill are compatible with the Convention rights.

National Insurance Contributions (Reduction in Rates) (No. 2) Bill

[AS BROUGHT FROM THE COMMONS]

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[AS BROUGHT FROM THE COMMONS]

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TO

Make provision for and in connection with reducing the main rates of primary Class 1 national insurance contributions and Class 4 national insurance contributions.

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Reduction in rates

- (1) In the following provisions—
- (a) section 8(2)(a) of the Social Security Contributions and Benefits Act 1992 (main primary percentage for Great Britain), and
 - (b) section 8(2)(a) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (main primary percentage for Northern Ireland),
- for “10%” substitute “8%”. 5
- (2) In regulation 131 of the Social Security (Contributions) Regulations 2001 (reduced rate of primary Class 1 contributions otherwise payable at the main primary percentage), for “3.85%” substitute “1.85%”. 10
- (3) In the following provisions (as they had effect immediately before the day on which this Act comes into force)—
- (a) section 15(3ZA)(a) of the Social Security Contributions and Benefits Act 1992 (main Class 4 percentage for Great Britain), and 15
 - (b) section 15(3ZA)(a) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (main Class 4 percentage for Northern Ireland),
- for “9 per cent” substitute “6%”.
- (4) Section 2 of the National Insurance Contributions (Reduction in Rates) Act 2023 is superseded by subsection (3) and accordingly is to be treated as never having had effect. 20

2 Annual maximum contributions

- (1) The Social Security (Contributions) Regulations 2001 (as they had effect immediately before the day on which this Act comes into force) are amended as follows.
- (2) In regulation 21 (annual maxima for those with more than one employment), in paragraph (2), in Step Two, for “11.5%” substitute “8%”. 5
- (3) In regulation 100 (annual maximum of Class 4 contributions), in paragraph (3) –
 - (a) in Step Two, for “9 per cent” substitute “6%”, and
 - (b) in Step Five, for “100/9” substitute “100/6”. 10
- (4) Paragraph 3 of the Schedule to the National Insurance Contributions (Reduction in Rates) Act 2023 is superseded by this section and accordingly is to be treated as never having had effect.

3 Commencement and short title

- (1) This Act comes into force on 6 April 2024. 15
- (2) This Act may be cited as the National Insurance Contributions (Reduction in Rates) Act 2024.

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[AS BROUGHT FROM THE COMMONS]

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Make provision for and in connection with reducing the main rates of primary Class 1 national insurance contributions and Class 4 national insurance contributions.

Brought from the Commons on 13th March 2024

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