

National Insurance Contributions (Employer Pensions Contributions) Bill

AMENDMENTS TO BE MOVED IN GRAND COMMITTEE

[Supplementary to the Marshalled List]

Amendment
No.

Clause 1

LORD FULLER

4A★ Clause 1, page 2, line 14, at end insert –

- “(6DA) Regulations made under subsection (6A) may make provision enabling an employed earner to carry forward any unused part of the contributions limit from one or more previous tax years, for the purposes of determining the contributions limit applicable in a subsequent tax year.
- (6DB) Regulations made in accordance with subsection (6DA) may in particular –
- (a) specify the number of previous tax years from which unused amounts may be carried forward,
 - (b) make provision for how any unused amount is to be calculated,
 - (c) make provision about the treatment of earners whose remuneration fluctuates between tax years, and
 - (d) make such consequential, supplementary, incidental or transitional provision as HM Treasury considers appropriate.”

Member's explanatory statement

This amendment would enable regulations to provide for any unused portion of the annual contributions limit to be carried forward from previous tax years in Great Britain, so that individuals with fluctuating earnings are not disproportionately affected by the annual cap on salary sacrifice pension contributions for National Insurance purposes.

LORD FULLER

4B★ Clause 1, page 2, line 14, at end insert –

- “(6DA) Regulations made under subsection (6A) must make provision enabling an employed earner to carry forward any unused part of the contributions limit

from the three immediately preceding tax years for the purposes of determining the contributions limit applicable in a subsequent tax year.

- (6DB) For the purposes of subsection (6DA) –
- (a) an amount is “unused” to the extent that the amount foregone in relation to benefits mentioned in subsection (6A) for a tax year is less than the contributions limit for that year,
 - (b) regulations may make provision about the order in which unused amounts are to be treated as used,
 - (c) regulations may make provision about cases in which an employed earner was not within subsection (6A) for the whole or part of a tax year, and
 - (d) regulations may make such consequential, supplementary, incidental or transitional provision as HM Treasury considers appropriate.”

Member's explanatory statement

This amendment would require regulations to provide for a three-year carry-forward of unused amounts of the annual contributions limit, aligning the treatment of salary sacrifice pension contributions for National Insurance purposes with the existing three-year carry-forward framework in the pensions annual allowance regime in Great Britain.

Clause 2

LORD FULLER

17A★ Clause 2, page 3, line 26, at end insert –

- “(6DA) Regulations made under subsection (6A) may make provision enabling an employed earner to carry forward any unused part of the contributions limit from one or more previous tax years, for the purposes of determining the contributions limit applicable in a subsequent tax year.
- (6DB) Regulations made in accordance with subsection (6DA) may in particular –
- (a) specify the number of previous tax years from which unused amounts may be carried forward,
 - (b) make provision for how any unused amount is to be calculated,
 - (c) make provision about the treatment of earners whose remuneration fluctuates between tax years, and
 - (d) make such consequential, supplementary, incidental or transitional provision as HM Treasury considers appropriate.”

Member's explanatory statement

This amendment would enable regulations to provide for any unused portion of the annual contributions limit to be carried forward from previous tax years in Northern Ireland, so that individuals with fluctuating earnings are not disproportionately affected by the annual cap on salary sacrifice pension contributions for National Insurance purposes.

LORD FULLER

17B★ Clause 2, page 3, line 26, at end insert –

- “(6DA) Regulations made under subsection (6A) must make provision enabling an employed earner to carry forward any unused part of the contributions limit from the three immediately preceding tax years for the purposes of determining the contributions limit applicable in a subsequent tax year.
- (6DB) For the purposes of subsection (6DA) –
- (a) an amount is “unused” to the extent that the amount foregone in relation to benefits mentioned in subsection (6A) for a tax year is less than the contributions limit for that year,
 - (b) regulations may make provision about the order in which unused amounts are to be treated as used,
 - (c) regulations may make provision about cases in which an employed earner was not within subsection (6A) for the whole or part of a tax year, and
 - (d) regulations may make such consequential, supplementary, incidental or transitional provision as HM Treasury considers appropriate.”

Member's explanatory statement

This amendment would require regulations to provide for a three-year carry-forward of unused amounts of the annual contributions limit, aligning the treatment of salary sacrifice pension contributions for National Insurance purposes with the existing three-year carry-forward framework in the pensions annual allowance regime in Northern Ireland.

After Clause 2

LORD FULLER

29A★ After Clause 2, insert the following new Clause –

“Independent report on the impact of the employer pensions contributions limit

- (1) The Chancellor of the Exchequer must, within 18 months of the coming into force of regulations made under this Act, lay before Parliament an independent report reviewing the impact of the contributions limit imposed by this Act on –
 - (a) employed earners whose remuneration fluctuates between tax years,
 - (b) employed earners whose remuneration arrangements are inconsistent or variable whilst in employment, and
 - (c) employers required to operate the system.
- (2) The report under subsection (1) must in particular consider –
 - (a) the effect of the contributions limit on earners with bonus-based, commission-based or otherwise irregular income,
 - (b) the administrative and compliance costs incurred by employers, payroll providers and software operators in implementing and operating the system provided for by this Act,

- (c) the impact of the changes made by this Act on payroll processes and reporting obligations,
 - (d) whether employers are provided with sufficient information and guidance to operate the system provided for by this Act effectively and accurately, and
 - (e) whether further steps are required to ensure the efficient operation of the system provided for by this Act for both employers and His Majesty's Revenue and Customs.
- (3) In preparing the report, the Chancellor of the Exchequer must consult –
- (a) representatives of employers,
 - (b) payroll and software providers, and
 - (c) such other persons as the Chancellor considers appropriate.
- (4) The report must include an assessment of whether further legislative or regulatory changes are necessary as a consequence of the changes made by this Act.”

Member's explanatory statement

This amendment would require the Government to review and report on the impact of the annual contributions limit provided for by this Act on employees with fluctuating or irregular remuneration, and on the administrative and payroll costs to employers, including whether sufficient guidance and information has been provided to ensure the effective operation of the system.

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23 February 2026
