

National Insurance Contributions (Employer Pensions Contributions) Bill

RUNNING LIST OF ALL AMENDMENTS ON REPORT

*Tabled up to and including
26 February 2026*

[Amendments marked ★ are new or have been altered]

Clause 1

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

- ★ Clause 1, page 1, line 10, after “tax” insert “at the higher or additional rate”

Member's explanatory statement

This amendment would exempt basic rate taxpayers in England, Wales and Scotland from the £2,000 cap.

LORD FULLER

- ★ 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.

LORD FULLER

★ 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 LEIGH OF HURLEY

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

“(6DA) Contributions to pensions where employees are not offered alternative compensation are not to be treated as optional remuneration arrangements.”

Member's explanatory statement

Where an employee has the option of a cash allowance or additional pension contribution, that would be an optional remuneration arrangement. But where no cash alternative is offered then there is clearly no optional arrangement and this amendment would therefore make it exempt.

LORD LEIGH OF HURLEY

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

“(6DA) In cases where the contribution limit is exceeded, regulations must make provisions for such amounts not be treated as earnings by virtue of the Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470), Part 4, Regulation 41.”

Member's explanatory statement

Income for student loan purposes is defined on an NI basis. This amendment exempts salary sacrificed pension contributions over the limit from being included in student loan repayments definitions, and so aligns with other benefits in kind.

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

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

“(6DA) Regulations made under subsection (6A) must include provision explaining –
(a) the basis on which the Treasury considers employed earners to be higher earners for the purposes of those regulations, and
(b) how the contributions limit specified under subsection (6C) reflects that assessment.”

Member's explanatory statement

This amendment would require that regulations made under Clause 1 explain the basis on which the Treasury considers certain employed earners to be “higher earners” for the purposes of the national insurance charge, and how the contributions limit reflects that assessment in Great Britain. It is intended to ensure transparency and consistency between the policy justification set out in the Explanatory Notes and the effect of the regulations made under the Bill.

LORD MACKINLAY OF RICHBOROUGH
LORD FULLER

★ Clause 1, page 2, line 16, at end insert –

“(6F) For the avoidance of doubt, the contributions limit specified by regulations made under subsection (6A) applies in relation to each employment any individual employee has.”

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

- ★ Clause 1, page 2, line 26, leave out from “as” to end of line 27 and insert “the amount calculated under subsections (5) and (6).
- (5) In 2029-30 the contributions limit must be set at a figure equal to £2,000 uprated by any percentage change in the consumer price index between 2026-27 and 2028-29.
- (6) In subsequent tax years the contributions limit must be uprated by the same percentage change as that applied to the consumer price index that year.”

Member's explanatory statement

This amendment would uprate the £2,000 cap by the percentage change in the consumer price index during the period before 2029-30 and would require the cap to be uprated by the same percentage as the change in the consumer price index each year thereafter in Great Britain.

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

- ★ Clause 1, page 2, line 27, at end insert –
- “(5) The amendments made by this section do not apply where the employer –
- (a) is a small or medium-sized enterprise, or
- (b) is a charity or social enterprise which meets the conditions in subsection (6).
- (6) The conditions are that –
- (a) the employer meets the definition of a small or medium-sized enterprise in section 465 of the Companies Act 2006 (companies qualifying as medium-sized: general), and
- (b) the employment is carried out wholly or mainly for the purposes of that charity or social enterprise.
- (7) In this section –
- “charity” has the meaning given by section 1 of the Charities Act 2011;
- “social enterprise” means an undertaking which –
- (a) has as its primary purpose the achievement of social or environmental objectives, and
- (b) principally reinvests its profits for those purposes;
- “small or medium-sized enterprise” has the meaning given by section 465 of the Companies Act 2006.”

Member's explanatory statement

This amendment exempts small and medium-sized enterprises, and small and medium-sized charities and social enterprises, from the provisions of the Bill in Great Britain.

Clause 2

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

- ★ Clause 2, page 2, line 38, after “tax” insert “at the higher or additional rate”

Member's explanatory statement

This amendment would exempt basic rate taxpayers in Northern Ireland from the £2,000 cap.

LORD FULLER

- ★ 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.

LORD FULLER

- ★ 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 LEIGH OF HURLEY

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

“(6DA) Contributions to pensions where employees are not offered alternative compensation are not to be treated as optional remuneration arrangements.”

Member's explanatory statement

Where an employee has the option of a cash allowance or additional pension contribution, that would be an optional remuneration arrangement. But where no cash alternative is offered then there is clearly no optional arrangement and this amendment would therefore make it exempt.

LORD LEIGH OF HURLEY

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

“(6DA) In cases where the contribution limit is exceeded, regulations must make provisions for such amounts not be treated as earnings by virtue of the Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470), Part 4, Regulation 41.”

Member's explanatory statement

Income for student loan purposes is defined on an NI basis. This amendment exempts salary sacrificed pension contributions over the limit from being included in student loan repayments definitions, and so aligns with other benefits in kind.

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

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

“(6DA) Regulations made under subsection (6A) must include provision explaining –

- (a) the basis on which the Treasury considers employed earners to be higher earners for the purposes of those regulations, and
- (b) how the contributions limit specified under subsection (6C) reflects that assessment.”

Member's explanatory statement

This amendment would require that regulations made under clause 2 explain the basis on which the Treasury considers certain employed earners to be “higher earners” for the purposes of the national insurance charge, and how the contributions limit reflects that assessment, when applied to Northern Ireland.

LORD MACKINLAY OF RICHBOROUGH
LORD FULLER

★ Clause 2, page 3, line 28, at end insert –

“(6F) For the avoidance of doubt, the contributions limit specified by regulations made under subsection (6A) applies in relation to each employment any individual employee has.”

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

★ Clause 2, page 3, line 39, leave out from “as” to end of line 41 and insert “the amount calculated under subsections (5) and (6).

(5) In 2029-30 the contributions limit must be set at a figure equal to £2,000 uprated by any percentage change in the consumer price index between 2026-27 and 2028-29.

(6) In subsequent tax years the contributions limit must be uprated by the same percentage change as that applied to the consumer price index that year.”

Member's explanatory statement

This amendment would uprate the £2,000 cap by the percentage change in the consumer price index during the period before 2029-30 and would require the cap to be uprated by the same percentage as the change in the consumer price index each year thereafter in Northern Ireland.

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

★ Clause 2, page 3, line 41, at end insert –

“(5) The amendments made by this section do not apply where the employer –

(a) is a small or medium-sized enterprise, or

(b) is a charity or social enterprise which meets the conditions in subsection (6).

(6) The conditions are that –

(a) the employer meets the definition of a small or medium-sized enterprise in section 465 of the Companies Act 2006 (companies qualifying as medium-sized: general), and

- (b) the employment is carried out wholly or mainly for the purposes of that charity or social enterprise.
- (7) In this section –
- “charity” has the meaning given by section 1 of the Charities Act 2011;
- “social enterprise” means an undertaking which –
- (a) has as its primary purpose the achievement of social or environmental objectives, and
- (b) principally reinvests its profits for those purposes;
- “small or medium-sized enterprise” has the meaning given by section 465 of the Companies Act 2006.”

Member's explanatory statement

This amendment exempts small and medium-sized enterprises, and small and medium-sized charities and social enterprises, from the provisions of the Bill in Northern Ireland.

After Clause 2

LORD FULLER

★ 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.

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

★ After Clause 2, insert the following new Clause –

“Review of impact on small and medium-sized enterprises

- (1) The Secretary of State must, within 12 months of the passing of this Act, lay before Parliament an independent report assessing the impact of the provisions of this Act relating to employer National Insurance contributions on small and medium-sized enterprises, including social enterprises in Great Britain and Northern Ireland.
- (2) The report under subsection (1) must, in particular, assess the impact on –
 - (a) administrative and compliance costs arising from changes to payroll, pension and benefits administration,
 - (b) the complexity of operating salary sacrifice and workplace pension arrangements,
 - (c) the operability of these changes for those in receipt of irregular remuneration, those with seasonal working patterns or those with multiple employments
 - (d) employment costs, and
 - (e) the ability of small and medium-sized enterprises to attract, retain and reward staff.
- (3) The report under subsection (1) must assess the impact of this Act in the context of the cumulative impact of changes to employer National Insurance contributions affecting small and medium-sized enterprises since July 2024.”

Member's explanatory statement

This amendment requires the Treasury to commission and lay before Parliament an independent review of the impact of the Act's employer National Insurance provisions on small and medium-sized enterprises and social enterprises, including administrative complexity and employment costs, and in the context of the cumulative effect of recent changes to employer National Insurance contributions.

Clause 3

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

- ★ Clause 3, page 4, line 5, leave out subsection (2) and insert—
- “(2) The provisions of this Act, other than this section, may only come into force when a review, meeting the requirements set out in subsections (2A) to (2D), has been completed.
- (2A) The Secretary of State must commission an independent review of the impact of this Act.
- (2B) The review must consider—
- (a) the effect of this Act on pensions adequacy among employees affected by its provisions,
 - (b) the impact of this Act on those affected by its provisions who are also repaying student loans, and
 - (c) the impact of this Act on levels of pension saving and participation in pension schemes.
- (2C) The person appointed to carry out the review must be independent of His Majesty’s Government.
- (2D) The Secretary of State must publish the report of the review and lay it before both Houses of Parliament.”

Member's explanatory statement

This amendment makes commencement of the Act conditional on the completion and publication of an independent review of its effects. It requires the review to assess the impact of the Act on pensions adequacy, and pension saving behaviour and participation, and ensures that Parliament has the opportunity to consider the findings before the Act’s provisions are brought into force.

LORD LEIGH OF HURLEY

- ★ Clause 3, page 4, line 5, at end insert “, provided that HM Treasury has by that day published guidance setting out the basis on which HM Treasury considers how the contributions limit specified under subsections 1(1) and 2(1) is to apply to employed earners with multiple unconnected concurrent employments.”

Member's explanatory statement

This amendment would not allow the Bill to come into force until HM Treasury has set out the basis on which the contributions limit is to be applied to employed earners with multiple concurrent employments for the purposes of calculating the national insurance charge.

BARONESS NEVILLE-ROLFE
LORD ALTRINCHAM

- ★ Clause 3, page 4, line 5, at end insert –
- “(2A) Regulations made under section 4(6A) of the Social Security Contributions and Benefits Act 1992 or section 4(6A) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 may not come into force until the expiry of the period of six months beginning with the day on which they are laid before Parliament.”

Member's explanatory statement

This amendment would require regulations made under section 4(6A) of the Social Security Contributions and Benefits Act 1992 and the equivalent Northern Ireland provision to be laid before Parliament at least six months before they may come into force, ensuring adequate time for parliamentary scrutiny and for employers and payroll providers to prepare for their implementation.

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