

National Insurance Contributions (Secondary Class 1 Contributions) Bill

EXPLANATORY NOTES

Explanatory notes to the Bill, prepared by HM Revenue and Customs, are published separately as Bill 131—EN.

EUROPEAN CONVENTION ON HUMAN RIGHTS

The Chancellor of the Exchequer 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 (Secondary Class 1 Contributions) Bill are compatible with the Convention rights.

National Insurance Contributions (Secondary Class 1 Contributions) Bill

[AS INTRODUCED]

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[AS INTRODUCED]

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TO

Make provision about secondary Class 1 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 Rate of secondary Class 1 contributions

- (1) In section 9(2) of the Social Security Contributions and Benefits Act 1992 (rate of secondary Class 1 contributions), for “13.8%” substitute “15%”.
- (2) In section 9(2) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (equivalent provision for Northern Ireland), for “13.8%” substitute “15%”. 5
- (3) The amendments made by this section come into force on 6 April 2025.

2 Secondary threshold for secondary Class 1 contributions

- (1) The Social Security (Contributions) Regulations 2001 (S.I. 2001/1004) are amended as follows. 10
- (2) In regulation 10(d) (the secondary threshold for secondary Class 1 contributions), for “£175” substitute “£96”.
- (3) In regulation 11(3A) (prescribed equivalents of the secondary threshold)—
 - (a) in sub-paragraph (a), for “£758” substitute “£417”, and
 - (b) in sub-paragraph (b), for “£9,100” substitute “£5,000”. 15
- (4) The amounts substituted by this section are specified for the tax year 2025-26.

3 Increase of employment allowance and removal of £100,000 threshold etc

- (1) The National Insurance Contributions Act 2014 is amended as follows.
- (2) In section 1(2)(a) (the amount of the employment allowance), for “£5,000” substitute “£10,500”. 20
- (3) In section 2 (exceptions), omit—

- (a) subsections (4B) to (4G) (secondary Class 1 liability limit of £100,000 or more and receipt of de minimis state aid), and*
 - (b) the italic heading preceding those subsections.*
- (4) The amendments made by this section come into force on 6 April 2025.

4 Short title

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This Act may be cited as the National Insurance Contributions (Secondary Class 1 Contributions) Act 2025.

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Make provision about secondary Class 1 contributions.

*Presented by the Chancellor of the Exchequer
supported by the Prime Minister, Darren Jones,
James Murray, Tulip Siddiq and Emma Reynolds.*

Ordered, by The House of Commons, to be
Printed, 13th November 2024.

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