

Increasing national insurance contributions

- In 2022/23 there will be a new 1.25% 'Health and Social Care Levy' (HSCL), operated as an increase on Class 1 (employer and employee) and Class 4 main and higher NIC rates. Thus, all the main in-work NIC rates will rise, although Class 2 (self-employed) flat-rate payments will be unaffected.
- In 2023/24, NIC rates will return to their current (2021/22) levels and the HSCL will reappear as a separate 1.25% charge. This separation is necessary to allow the HSCL to be charged on the earnings of employees and the self-employed who are over SPA – currently 66. At present employees and the self-employed past SPA do not pay NICs, although employers generally pay Class 1 NICs regardless of employee age.
- The current employer NIC reliefs, e.g. for apprentices under 25, will continue to apply.

NICs: 2021/22 – 2023/24

Tax Year	Employer* %	Employee %		Self-employed %	
		Main	Higher	Main	Higher
2021/22: NICs	13.80	12.00	2.00	9.00	2.00
2022/23: NICs	15.05	13.25	3.25	10.25	3.25
2023/24: NICs	13.80	12.00	2.00	9.00	2.00
HSCL	1.25	1.25	1.25	1.25	1.25
Threshold (21/22)	£8,840	£9,568	£50,270	£9,568	£50,270

* Under the Employment Allowance employers do not have pay the first £4,000 of Class 1 NICs unless the sole employee is a director OR total NICs for the previous tax year are £100,000 or more