

## **HEALTH AND SOCIAL CARE LEVY**

From 6th April 2022 the rate of National Insurance contributions will rise by 1.25%, as part of the government's plan to introduce a health and social care levy, where working people contribute to fund the NHS and the social care crisis. Individuals above State Pension age will not be affected by the temporary increase to National Insurance contributions for the 2022 to 2023 tax year but will be liable to pay the levy from April 2023.

This increase in National Insurance contributions will apply as follows: -

- Employees will now pay 13.25% NI on all earnings above £190 for those employees paid weekly and £823 for those employees paid monthly
- Employees will now pay 3.25% NI on all earnings above £967 for those employees paid weekly and £4,189 for those employees paid monthly
- Employers will now pay 15.05% NI on all earnings above £175 for those employees paid weekly and £758 for those employees paid monthly

This will be taken along with the rest of the employee's National Insurance payment in 2022-23, but from April 2023 the levy will officially be split out as a separate deduction. April 2023 will also be the point where the levy is paid by those who are above state pension age, but still in work.

The National Insurance lower earnings limits will increase to £190 for those employees paid weekly and £823 for those employees paid monthly. Upper earnings thresholds, however, are being frozen at £967 weekly and £4,189 monthly. This means that National Insurance contributions are being calculated on a lower amount of earnings than previously, offsetting some of the effects of the rate rises.