



Health and Social Care Levy Act 2021

2021 CHAPTER 28

An Act to make provision imposing a tax (to be known as the health and social care levy), the proceeds of which are payable to the Secretary of State towards the cost of health care and social care, on amounts in respect of which national insurance contributions are, or would be if no restriction by reference to pensionable age were applicable, payable; and for connected purposes. [20th October 2021]

Most Gracious Sovereign

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards providing such sums as may be required for health and social care, have freely and voluntarily resolved to give and to grant unto Your Majesty the tax and increases in national insurance contributions hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen'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 Health and social care levy

- (1) Every person who—
 - (a) is liable to pay a qualifying national insurance contribution, or
 - (b) would be liable, if the pension age restriction provisions are ignored, to pay such a contribution,is liable to pay a tax equal to 1.25% of the amount of earnings or profits in respect of which the contribution is, or would be, payable.
- (2) The tax is to be known as the health and social care levy.
- (3) “Qualifying national insurance contribution” means—
 - (a) a primary Class 1 contribution under section 6(1)(a) of SSCBA 1992 or section 6(1)(a) of SSCB(NI)A 1992,
 - (b) a secondary Class 1 contribution under section 6(1)(b) of either of those Acts,

- (c) a Class 1A contribution under section 10 of either of those Acts,
 - (d) a Class 1B contribution under section 10A of either of those Acts, or
 - (e) a Class 4 contribution under section 15 of either of those Acts.
- (4) The “pension age restriction provisions” means any provision made by or under any enactment that provides for an exception from liability to pay a qualifying national insurance contribution by reference to a person having attained pensionable age.
- (5) For the purposes of determining the amount chargeable under subsection (1) in relation to a secondary Class 1 contribution, ignore any earnings where the rate applicable to those earnings in relation to that contribution is 0%.
- (6) Subsection (1) has effect in relation to qualifying national insurance contributions payable, or that would be payable, on or after 6 April 2023.

2 Destination of proceeds of health and social care levy

- (1) HMRC may deduct from—
- (a) the proceeds of the health and social care levy, and
 - (b) any relevant penalties or interest,
- such amounts as HMRC estimate represent their expenses in collecting the health and social care levy (including, where not already deducted, any expenses in recovering any relevant penalties or interest).
- (2) The remainder of the proceeds of the levy and any relevant penalties or interest is to be paid by HMRC to the Secretary of State towards the cost—
- (a) of health care and social care in England,
 - (b) of health care and social care in Wales,
 - (c) of health care and social care in Scotland, and
 - (d) of health care and social care in Northern Ireland,
- in such shares as between health care and social care, and in such shares as between England, Wales, Scotland and Northern Ireland, as the Treasury may determine.
- (3) In this section “relevant penalties or interest” means penalties or interest recovered by HMRC in connection with the health and social care levy (whether arising solely in connection with the levy or not) to the extent those penalties or that interest can be attributed to the levy.
- (4) HMRC must pay any amount deducted under subsection (1) into the Consolidated Fund.

3 Application of national insurance contributions legislation

- (1) For the purposes of the operation of the health and social care levy, any provision made by or under an enactment that applies in relation to a qualifying national insurance contribution is to apply in relation to payments of the levy corresponding to the contribution.
- (2) The following are examples of provisions that, as a result of subsection (1), may apply in relation to the levy—
- (a) provision relating to returns of information and the supply of accounts, statements and reports;

- (b) provision relating to the assessing, collecting and receiving of national insurance contributions;
 - (c) provision conferring or regulating a right of appeal;
 - (d) provision concerning administration, penalties or interest on unpaid national insurance contributions;
 - (e) provision about the priority of amounts owed to the Commissioners for Her Majesty's Revenue and Customs in cases of insolvency under the law of any part of the United Kingdom.
- (3) Subsection (1) does not apply to any provision—
- (a) limiting the maximum amount of national insurance contributions that are payable by any person, or
 - (b) about a person's entitlement to benefits.
- (4) Subsection (1) is subject to—
- (a) any other provision made by or under this Act, and
 - (b) any necessary modifications (including any modifications necessary to secure the payment of the levy where a qualifying national insurance contribution is not payable as a result of the pension age restriction provisions).

4 Regulations

- (1) The Treasury may by regulations made by statutory instrument make provision generally for the purposes of the health and social care levy.
- (2) The following are examples of provision that regulations may make for the purposes of the levy—
- (a) provision about reliefs or exceptions from the levy;
 - (b) provision that disapplies any provision so far as it would otherwise, as a result of section 3(1), apply in relation to the levy;
 - (c) provision modifying the application of any such provision in relation to the levy;
 - (d) provision about (including provision modifying) the application of any provision of the Tax Acts (that would not otherwise apply to the levy as a result of section 3(1)) in relation to the levy.
- (3) Regulations may—
- (a) make different provision for different purposes;
 - (b) make supplementary, incidental and consequential provision;
 - (c) make transitional or transitory provision and savings.
- (4) Subsection (5) applies to regulations that have the effect of limiting the application of, reducing or removing any existing relief or exception (whether arising under regulations under this section or as a result of section 3(1)).
- (5) A statutory instrument containing (whether alone or with other provision) regulations to which this subsection applies may not be made unless a draft of the instrument has been laid before and approved by a resolution of the House of Commons.
- (6) Otherwise, a statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.

5 Transitional provision: temporary increase in rates of NICs payable to NHS

- (1) This section makes transitional provision for the tax year 2022-23.
- (2) Part 1 of SSCBA 1992 (contributions) is to have effect as if—
- (a) in section 8(2) (calculation of primary Class 1 percentages)—
 - (i) in paragraph (a) (main primary percentage), for “12” there were substituted “13.25”, and
 - (ii) in paragraph (b) (additional primary percentage), for “2” there were substituted “3.25”,
 - (b) in section 9(2) (calculation of secondary Class 1 contributions: the secondary percentage), for “13.8” there were substituted “15.05”, and
 - (c) in section 15(3ZA) (calculation of Class 4 contributions)—
 - (i) in paragraph (a) (main Class 4 percentage), for “9” there were substituted “10.25”, and
 - (ii) in paragraph (b) (additional Class 4 percentage), for “2” there were substituted “3.25”.
- (3) For the purposes of the application of sections 143(4) and 145(3) of SSAA 1992 (limit on power to alter contribution rates by reference to rates in preceding tax year) in relation to the tax year 2023-24, the modifications in subsection (2) are to be ignored.
- (4) Part 1 of SSCB(NI)A 1992 (contributions: Northern Ireland) is to have effect as if—
- (a) in section 8(2) (calculation of primary Class 1 percentages)—
 - (i) in paragraph (a) (main primary percentage), for “12” there were substituted “13.25”, and
 - (ii) in paragraph (b) (additional primary percentage), for “2” there were substituted “3.25”,
 - (b) in section 9(2) (calculation of secondary Class 1 contributions: the secondary percentage), for “13.8” there were substituted “15.05”, and
 - (c) in section 15(3ZA) (calculation of Class 4 contributions)—
 - (i) in paragraph (a) (main Class 4 percentage), for “9” there were substituted “10.25”, and
 - (ii) in paragraph (b) (additional Class 4 percentage), for “2” there were substituted “3.25”.
- (5) Section 162(5) of SSAA 1992 (destination of national insurance contributions: meaning of “the appropriate national health service allocation”) is to have effect as if—
- (a) in the opening words, for “50” there were substituted “69.23”,
 - (b) in paragraph (a) (primary Class 1 contributions), for “2.05” there were substituted “3.30”,
 - (c) in paragraph (b) (secondary Class 1 contributions), for “1.9” there were substituted “3.15”,
 - (d) in paragraph (c) (Class 1A contributions), for “1.9” there were substituted “3.15”,
 - (e) in paragraph (ca) (Class 1B contributions), for “1.9” there were substituted “3.15”, and
 - (f) in paragraph (f) (Class 4 contributions), for “2.15” there were substituted “3.4”.

- (6) Section 142(5) of SSA(NI)A 1992 (destination of national insurance contributions: Northern Ireland) is to have effect as if—
- (a) in the opening words, for “50” there were substituted “69.23”,
 - (b) in paragraph (a) (primary Class 1 contributions), for “2.05” there were substituted “3.30”,
 - (c) in paragraph (b) (secondary Class 1 contributions), for “1.9” there were substituted “3.15”,
 - (d) in paragraph (c) (Class 1A contributions), for “1.9” there were substituted “3.15”,
 - (e) in paragraph (ca) (Class 1B contributions), for “1.9” there were substituted “3.15”, and
 - (f) in paragraph (f) (Class 4 contributions), for “2.15” there were substituted “3.4”.

6 Interpretation

In this Act—

“HMRC” means Her Majesty’s Revenue and Customs;

“national insurance contributions” means any contributions under—

(a) Part 1 of SSCBA 1992, or

(b) Part 1 of SSCB(NI)A 1992;

“pension age restriction provisions” has the meaning given section 1(4);

“qualifying national insurance contribution” has the meaning given by section 1(3);

“SSAA 1992” means the Social Security Administration Act 1992;

“SSA(NI)A 1992” means the Social Security Administration (Northern Ireland) Act 1992;

“SSCBA 1992” means the Social Security Contributions and Benefits Act 1992;

“SSCB(NI)A 1992” means the Social Security Contributions and Benefits (Northern Ireland) Act 1992;

“tax year” has the meaning given by section 122 of SSCBA 1992 (interpretation of Parts 1 to 6 of that Act).

7 Short title and Crown application

(1) This Act may be cited as the Health and Social Care Levy Act 2021.

(2) This Act binds the Crown.