



# National Insurance Contributions Act 2022

## 2022 CHAPTER 9

### PART 1

#### SECONDARY CLASS 1 CONTRIBUTIONS

*[<sup>F1</sup>Special tax sites]*

#### Textual Amendments

**F1** S. 1 cross-heading substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 23 para. 21

## **1 Zero-rate contributions for employees at [<sup>F2</sup>special tax sites]: Great Britain**

- (1) This section applies where—
- (a) a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) of the 1992 Act in respect of earnings paid in a tax week in respect of an employed earner's employment by an employer other than a public authority,
  - (b) the [<sup>F3</sup>applicable conditions] are met in relation to the contribution (see section 2), and
  - (c) the employer (or, if different, the secondary contributor) elects that this section is to apply in relation to the contribution for the purposes of section 9(1) of the 1992 Act instead of section 9(1A) of that Act or section 6 of this Act.
- (2) For the purposes of section 9(1) of the 1992 Act—
- (a) the relevant percentage in respect of any earnings paid in the tax week up to or at the upper secondary threshold is 0%, and
  - (b) the relevant percentage in respect of any earnings paid in the tax week above that threshold is the secondary percentage.
- (3) The upper secondary threshold (or the prescribed equivalent in relation to earners paid otherwise than weekly) is the amount specified in, or in regulations under, section 8.

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1. (See end of Document for details)*

- (4) For the purposes of the 1992 Act a person is still to be regarded as being liable to pay a secondary Class 1 contribution even if the amount of the contribution is £0 as a result of this section.
- (5) The Treasury may by regulations make provision about cases in which this section is to be treated as applying in relation to contributions payable in respect of a tax week in a given tax year only when—
- (a) that tax year has ended, and
  - (b) all contributions payable in respect of a tax week in that tax year have been paid.
- (6) Regulations under subsection (5) may modify the [F<sup>4</sup>applicable conditions] in section 2(1)(c) and (d) for the purposes of cases to which the regulations apply.

#### Textual Amendments

- F2** Words in s. 1 heading substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 23 para. 22(b)
- F3** Words in s. 1(1)(b) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 23 para. 22(a)
- F4** Words in s. 1(6) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 23 para. 22(a)

#### Modifications etc. (not altering text)

- C1** S. 1 modified (6.4.2022) by The National Insurance Contributions Act 2022 (Application of Part 1) Regulations 2022 (S.I. 2022/307), regs. 1(1), 3 (with reg. 2)

#### Commencement Information

- I1** S. 1 in force at Royal Assent

## 2 [F<sup>5</sup>Applicable conditions]

- (1) [F<sup>6</sup>The applicable conditions] are that—
- (a) the employed earner’s employment is a new employment that—
    - (i) begins on or after 6 April 2022, but
    - (ii) does not begin later than [F<sup>7</sup>the applicable sunset date],
  - (b) the earnings—
    - (i) are paid during the period of three years beginning with the first day of the employment, but
    - (ii) are not paid after the relevant end date (see subsection (6)),
  - (c) the contribution is paid in respect of earnings paid in a tax week all of which is in a qualifying period of the employment, and
  - (d) at the time the qualifying period begins, the employer reasonably expects that 60% or more of the earner’s employed time during that period will be spent in a single [F<sup>8</sup>special tax site] in which the employer has business premises.
- (2) For the purposes of subsection (1)(a), an employment is new if the earner was not employed by the employer or by a person connected with the employer (within the meaning of section 993 of the Income Tax Act 2007) at any time within the period of two years ending with the day on which the employment begins.

[F<sup>9</sup>(2A) For the purposes of this section “the applicable sunset date”, in relation to a special tax site, means —

- (a) 5 April 2026, or

---

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1. (See end of Document for details)*

---

- (b) such later date as may be specified under [section 332\(4\)\(b\)](#) of the Finance (No.2) Act 2023 as the applicable sunset date in relation to the site concerned for the purposes of the provisions mentioned in subsection (4) of that section.]
- (3) For the purposes of subsection (1)(c) a qualifying period of the employment is a period—
- (a) that begins with—
- (i) the start of the employment, or
- (ii) a substantial change in the earner’s working arrangements, and
- (b) that ends (subject to subsection (4)(d)) with—
- (i) the end of the employment,
- (ii) the relevant end date, or
- (iii) a substantial change in the earner’s working arrangements.
- (4) For the purposes of subsection (1)(d)—
- (a) an earner’s employed time is time when the earner is expected to provide services to the employer under the terms of a contract of service (“working time”), together with time when the earner would have provided such services but for being on leave (of any sort);
- (b) it is to be assumed that the proportion of the time when an earner is on leave that is spent at any given [<sup>F10</sup>special tax site] is the same as the proportion of the earner’s working time that would be spent at that site if the earner were not on leave;
- (c) it does not matter whether the earner is expected to provide services under a single contract of service or under successive contracts of service, provided that the employment does not cease;
- (d) if an expectation for the purposes of subsection (1)(d) ceases to be reasonable in any given tax week, the condition in that subsection ceases to be met, and the qualifying period is taken to end, at the end of the previous tax week.
- (5) If the secondary contributor in relation to the earner is not the earner’s employer—
- (a) subsection (1)(d) has effect as if both references to “the employer” were references to “the secondary contributor”, and
- (b) subsection (2) has effect as if, after both references to “the employer”, there were inserted “or the secondary contributor”.
- [<sup>F11</sup>(6) The relevant end date is the last day of the period of three years beginning with the day after the applicable sunset date.]

#### Textual Amendments

- F5** S. 2 heading substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(e\)](#)
- F6** Words in s. 2(1) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(a\)\(i\)](#)
- F7** Words in s. 2(1)(a)(ii) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(a\)\(ii\)](#)
- F8** Words in s. 2(1)(d) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(a\)\(iii\)](#)
- F9** S. 2(2A) inserted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(b\)](#)
- F10** Words in s. 2(4)(b) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(c\)](#)
- F11** S. 2(6) substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), [Sch. 23 para. 23\(d\)](#)

---

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1. (See end of Document for details)*

---

**Modifications etc. (not altering text)**

- C2** S. 2 modified (6.4.2022) by [The National Insurance Contributions Act 2022 \(Application of Part 1\) Regulations 2022 \(S.I. 2022/307\)](#), regs. 1(1), 4 (with reg. 2)

**Commencement Information**

- I2** S. 2 in force at Royal Assent

**3** [<sup>F12</sup>Applicable conditions]: supplementary

- <sup>F13</sup>(1) . . . . .
- (2) The Treasury may by regulations provide for circumstances in which [<sup>F14</sup>an applicable] condition is to be treated as being met.
- (3) The Treasury may by regulations make such other changes in relation to the [<sup>F15</sup>applicable] conditions as they consider appropriate (including by adding, removing or altering conditions).
- (4) Regulations under subsection (3) may, among other things—
- (a) provide for circumstances in which a condition is to be treated as not being met;
  - (b) add conditions relating to accounts or other records;
  - (c) add conditions requiring a person to take steps specified in the regulations.
- (5) Regulations under subsection (2) or (3) may make provision by reference to sectors of the economy or to descriptions of employer, earner or employment.
- (6) Regulations under subsection (2) or (3) may amend, repeal or otherwise modify this Part.

**Textual Amendments**

- F12** Words in s. 3 heading substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 23 para. 24\(d\)](#)
- F13** S. 3(1) omitted (11.7.2023) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 23 para. 24\(a\)](#)
- F14** Words in s. 3(2) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 23 para. 24\(b\)](#)
- F15** Word in s. 3(3) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 23 para. 24\(c\)](#)

**Commencement Information**

- I3** S. 3 in force at Royal Assent

**4** **Anti-avoidance**

- (1) Section 1 does not apply if it would otherwise apply only as a result of avoidance arrangements.
- (2) In this section—
- “arrangements” include any scheme, transaction or series of transactions, agreement or understanding, whether or not legally enforceable;
- “avoidance arrangements” means any arrangements which it is reasonable in all the circumstances—

*Changes to legislation:* There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1. (See end of Document for details)

- (a) to conclude are, or include steps that are, contrived, abnormal or lacking a genuine commercial purpose, or
- (b) to regard as circumventing the intended limits of the application of section 1 or otherwise exploiting shortcomings in that section or in provision made in or under sections 2 and 3.

**Commencement Information**

**I4** S. 4 in force at Royal Assent

**5 Zero-rate contributions for employees at [<sup>F16</sup>special tax sites]: Northern Ireland**

The Treasury may by regulations make provision corresponding or similar to provision made in, under or for the purposes of sections 1 to 4 in relation to Northern Ireland.

**Textual Amendments**

**F16** Words in s. 5 heading substituted (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), Sch. 23 para. 25

**Commencement Information**

**I5** S. 5 in force at Royal Assent

*Veterans*

**6 Zero-rate contributions for armed forces veterans**

- (1) Subsection (2) applies where—
  - (a) a secondary Class 1 contribution is payable as mentioned in section 6(1)(b) of either of the 1992 Acts in respect of earnings paid in a tax week in respect of an employment,
  - (b) the tax week is in a tax year mentioned in subsection (4),
  - (c) the veteran conditions are met in relation to the contribution (see section 7), and
  - (d) the employer (or, if different, the secondary contributor) elects that subsection (2) is to apply in relation to the contribution for the purposes of section 9(1) of whichever of the 1992 Acts would otherwise apply instead of section 9(1A) of that Act or section 1 of this Act.
- (2) For the purposes of section 9(1) of whichever of the 1992 Acts would otherwise apply—
  - (a) the relevant percentage in respect of any earnings paid in the tax week up to or at the upper secondary threshold is 0%, and
  - (b) the relevant percentage in respect of any earnings paid in the tax week above that threshold is the secondary percentage.
- (3) The upper secondary threshold (or the prescribed equivalent in relation to earners paid otherwise than weekly) is the amount specified in, or in regulations under, section 8.
- (4) The tax years are—
  - (a) 2022-23;

---

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1. (See end of Document for details)*

---

- (b) 2023-24.
- (5) Any amount paid by way of secondary Class 1 contribution in relation to a tax week in the tax year 2021-22 that would not have been payable if that tax year had been mentioned in subsection (4) and an election had been made for the purposes of subsection (1)(d) in relation to the contribution is to be treated, from 6 April 2022, as not having been payable.
- (6) The Treasury may by regulations made before the end of the last tax year for the time being mentioned in subsection (4) (“the last tax year”) amend that subsection so as to add one or more consecutive tax years following immediately after the last tax year.
- (7) For the purposes of the 1992 Acts a person is still to be regarded as being liable to pay a secondary Class 1 contribution even if the amount of the contribution is £0 as a result of this section.
- (8) The Treasury may by regulations make provision about cases in which subsection (2) is to be treated as applying in relation to contributions payable in respect of a tax week in a given tax year only when—
- (a) that tax year has ended, and
  - (b) all contributions payable in respect of a tax week in that tax year have been paid.

---

**Modifications etc. (not altering text)**

- C3** S. 6 modified (6.4.2022) by [The National Insurance Contributions Act 2022 \(Application of Part 1\) Regulations 2022 \(S.I. 2022/307\)](#), regs. 1(1), 6 (with reg. 5)
- 

**Commencement Information**

- I6** S. 6 in force at Royal Assent

## 7 Veteran conditions

- (1) The veteran conditions are that—
- (a) the earner has served for at least one day as a member of any of the regular forces,
  - (b) the employment is employment in a civilian capacity, and
  - (c) the earnings are paid during the period of one year beginning with the earner’s first day of employment in a civilian capacity since the earner last ceased to be a member of any of the regular forces.
- (2) For the purposes of subsection (1)(c), it is immaterial if the earner’s first day of employment in a civilian capacity was before the start of the tax year 2022-23 (or, in a case where section 6(5) applies, the tax year 2021-22).

---

**Commencement Information**

- I7** S. 7 in force at Royal Assent

---

*Changes to legislation:* There are currently no known outstanding effects for the  
National Insurance Contributions Act 2022, PART 1. (See end of Document for details)

---

### *Upper secondary threshold*

## **8 Upper secondary threshold for earnings**

- (1) For the purposes of section 1, for the tax [<sup>F17</sup>years beginning with 6 April 2022 and 6 April 2023]—
  - (a) the upper secondary threshold is £481, and
  - (b) the prescribed equivalent for earners paid otherwise than weekly is—
    - (i) where the earnings period is a month, £2,083;
    - (ii) where the earnings period is a year, £25,000;
    - (iii) where the earnings period is a multiple of a week, £25,000 divided by 52 and multiplied by the multiple;
    - (iv) where the earnings period is a multiple of a month, £25,000 divided by 12 and multiplied by the multiple;
    - (v) in any other case, £25,000 divided by 365 and multiplied by the number of days in the earnings period.
- (2) For the purposes of section 6, for the tax years beginning with 6 April 2021 [<sup>F18</sup>, 6 April 2022 and 6 April 2023]—
  - (a) the upper secondary threshold is £967, and
  - (b) the prescribed equivalent for earners paid otherwise than weekly is—
    - (i) where the earnings period is a month, £4,189;
    - (ii) where the earnings period is a year, £50,270;
    - (iii) where the earnings period is a multiple of a week, £50,270 divided by 52 and multiplied by the multiple;
    - (iv) where the earnings period is a multiple of a month, £50,270 divided by 12 and multiplied by the multiple;
    - (v) in any other case, £50,270 divided by 365 and multiplied by the number of days in the earnings period.
- (3) Amounts determined in accordance with—
  - (a) subsection (1)(b)(iii) or (iv), or subsection (2)(b)(iii) or (iv), if not whole pounds, are to be rounded up to the next whole pound;
  - (b) subsection (1)(b)(v) or (2)(b)(v) are to be calculated to the nearest penny, and any amount of a halfpenny or less is to be disregarded.
- (4) The Treasury may by regulations provide that there is to be an upper secondary threshold for secondary Class 1 contributions for the purposes of any tax year after the tax year 2022-23 to which section 1 or 6 relates.
- (5) The threshold for any tax year is to be the amount specified for that tax year by the regulations.
- (6) The regulations may prescribe an equivalent of an upper secondary threshold in relation to earners paid otherwise than weekly (and references in any Act to the “prescribed equivalent”, in the context of an upper secondary threshold for the purposes of section 1 or 6, are references to the equivalent prescribed in reliance on this subsection in relation to such earners).
- (7) The power to prescribe an equivalent includes power to prescribe an amount which exceeds, by not more than £1.00, the amount which is the arithmetical equivalent of that threshold.

---

*Changes to legislation: There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1. (See end of Document for details)*

---

(8) The regulations may amend this section.

**Textual Amendments**

- F17** Words in s. 8(1) substituted (6.4.2023) by [The Social Security \(Contributions\) \(Rates, Limits and Thresholds Amendments and National Insurance Funds Payments\) Regulations 2023 \(S.I. 2023/236\)](#), regs. 1, **6(a)**
- F18** Words in s. 8(2) substituted (6.4.2023) by [The Social Security \(Contributions\) \(Rates, Limits and Thresholds Amendments and National Insurance Funds Payments\) Regulations 2023 \(S.I. 2023/236\)](#), regs. 1, **6(b)**

**Commencement Information**

- I8** S. 8 in force at Royal Assent

*Consequential amendment*

**9 Consequential amendment**

In the Finance Act 2016, in Part 6 (apprenticeship levy), in section 100(6) (references to liability to pay secondary Class 1 contributions), for the words in brackets substitute “(including a case where the amount of a liability to pay a secondary Class 1 contribution is £0)”.

**Commencement Information**

- I9** S. 9 in force at Royal Assent



**Changes to legislation:**

There are currently no known outstanding effects for the National Insurance Contributions Act 2022, PART 1.