

2024 No. 249

SOCIAL SECURITY

**The Social Security (Contributions) (Limits and Thresholds,
National Insurance Funds Payments and Extension of Veterans
Relief) Regulations 2024**

Made - - - - *29th February 2024*

Coming into force - - *6th April 2024*

These Regulations are made by the Treasury in exercise of the powers conferred by sections 5(1) and (4) to (6), 9A(7) and (8), 9B(4) and (5) and 175(3) of the Social Security Contributions and Benefits Act 1992(a) (“the Contributions Act”), sections 5(1) and (4) to (6), 9A(7) and (8), 9B(4) and (5) and 171(3) and (10) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(b) (“the Northern Ireland Contributions Act”), section 2(2) and (3) of the Social Security Act 1993(c) (“the 1993 Act”), Article 4(3) and (4) of the Social Security (Northern Ireland) Order 1993(d) (“the 1993 Order”) and sections 6(6) and 8(4) to (8) of the National Insurance Contributions Act 2022(e) (“the NICA 2022”).

With a view to adjusting the level at which the National Insurance Fund stands for the time being and having regard to estimated benefit expenditure for the financial year ending with 31st March 2025, the Treasury think it expedient that regulation 4 should be made under section 2(2) of the 1993 Act.

With a view to adjusting the level at which the Northern Ireland National Insurance Fund stands for the time being and having regard to estimated benefit expenditure for the financial year ending with 31st March 2025, the Treasury think it expedient that regulation 5 should be made under Article 4(3) of the 1993 Order.

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- (a) 1992 c. 4; section 5 was substituted by paragraph 1 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30) (“the WRPA 1999”) and section 5(1) was amended by section 1(1)(a) of, and Schedule 2 to, the National Insurance Contributions Act 2008 (c. 16) (“the NICA 2008”). Section 9A was inserted by section 9(3) of the National Insurance Contributions Act 2014 (c. 7) (“the NICA 2014”) and amended by section 1(3) of the National Insurance Contributions Act 2015 (c. 5) (“the NICA 2015”). Section 9B was inserted by section 1(4) of the NICA 2015.
- (b) 1992 c. 7; section 5 was substituted by paragraph 1 of Schedule 10 to the WRPA 1999 and section 5(1) was amended by section 2(1)(a) of, and Schedule 2 to, the NICA 2008. Section 9A was inserted by section 9(8) of the NICA 2014 and amended by section 1(8) of the NICA 2015. Section 9B was inserted by section 1(9) of the NICA 2015. Section 171(10) was substituted by paragraph 28(3) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order (S.I. 1999/671) (“the Transfer Order”).
- (c) 1993 c. 3; section 2(2) was amended by paragraph 60(2) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).
- (d) S.I. 1993/592 (N.I. 2); article 4(3) was amended by paragraph 52(2) of Schedule 3 to the Transfer Order.
- (e) 2022 c. 9.

A draft of these Regulations was laid before Parliament in accordance with the provisions of section 176(1)(za), (zb) and (a) of the Contributions Act(a), section 172(11ZA), (11ZB) and (11A) of the Northern Ireland Contributions Act(b), section 2(8) of the 1993 Act, Article 4(8) of the 1993 Order(c) and section 12(2) of the NICA 2022(d) and approved by a resolution of each House of Parliament.

PART 1

General

Citation and commencement

1. These Regulations may be cited as the Social Security (Contributions) (Limits and Thresholds, National Insurance Funds Payments and Extension of Veterans Relief) Regulations 2024 and come into force on 6th April 2024.

PART 2

Limits and thresholds for National Insurance contributions

Amendment to the Social Security (Contributions) Regulations 2001

2. In regulation 10 of the Social Security (Contributions) Regulations 2001(e) (earnings limits and thresholds) for “2023” substitute “2024”.

Amendments to the National Insurance Contributions Act 2022

3. In section 8 of the National Insurance Contributions Act 2022(f) (upper secondary threshold for earnings: special tax site employees and armed forces veterans) in subsection (1) and subsection (2) for “and 6 April 2023” substitute “, 6 April 2023 and 6 April 2024”.

PART 3

National Insurance Funds

Prescribed percentage of estimated benefit expenditure – Great Britain

4. Section 2(2) of the Social Security Act 1993 (payments into National Insurance Fund out of money provided by Parliament) has effect with respect to the tax year 2024-25 and the prescribed percentage of estimated benefit expenditure for the financial year ending with 31st March in that year shall be 5 per cent.

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- (a) Section 176(1)(za) was inserted by section 7(5) of the Pensions Act 2007 (c. 22) (“the PA 2007”). Section 176(1)(zb) was inserted by section 1(2) of the NICA 2008. Section 176(1)(a) was relevantly amended by section 9(5) of the NICA 2014 and section 1(5) of the NICA 2015.
- (b) Section 172(11ZA) was inserted by section 8(5)(b) of the PA 2007. Section 172(11ZB) was inserted by section 2(2) of the NICA 2008. Section 172(11A) was inserted by paragraph 29(5) of Schedule 3 to the Transfer Order and relevantly amended by section 9(10) of the NICA 2014 and section 1(10) of the NICA 2015.
- (c) Article 4(8) was substituted by paragraph 52(5) of Schedule 3 to the Transfer Order.
- (d) Section 12(2) was amended by paragraph 26 of Schedule 23 to the Finance (No. 2) Act 2023 (c. 30).
- (e) S.I. 2001/1004 was amended by section 1(2) of the National Insurance Contributions (Increase of Thresholds) Act 2022 (c. 16) and relevant amending instruments are S.I. 2009/1111, 2011/940, 2015/577, 2016/343, 2021/157, 2022/232, 2023/236.
- (f) Section 8(1) and (2) were amended by regulation 6 of S.I. 2023/236.

Prescribed percentage of estimated benefit expenditure – Northern Ireland

5. Article 4(3) of the Social Security (Northern Ireland) Order 1993 (payments into Northern Ireland National Insurance Fund out of appropriated money) has effect with respect to the tax year 2024-25 and the prescribed percentage of estimated benefit expenditure for the financial year ending with 31st March in that year shall be 5 per cent.

PART 4

Extension of zero-rate contributions for armed forces veterans

Amendment to the National Insurance Contributions Act 2022

6. In section 6(4) of the National Insurance Contributions Act 2022 (zero-rate contributions for armed forces veterans) after paragraph (b) insert—

“(c) 2024-25.”.

Amanda Milling

Scott Mann

29th February 2024

Two of the Lords Commissioners of His Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Social Security (Contributions) Regulations 2001 (“the Contributions Regulations”) and the National Insurance Contributions Act 2022 (“the NICA 2022”). The amendments have effect from 6th April 2024.

Regulation 2 maintains at the same level as the previous year the weekly earnings limits and thresholds specified in regulation 10 of the Contributions Regulations, which are used for determining liability to Class 1 National Insurance contributions (“NICs”) and entitlement to associated state benefits.

Regulation 3 maintains at the same level as the previous year the upper secondary thresholds for earnings, and the prescribed equivalents for earners paid otherwise than weekly, for special tax site employees and armed forces veterans, specified in section 8 of the NICA 2022.

Regulation 4 provides for section 2(2) of the Social Security Act 1993 to have effect for the tax year 2024-25. This allows money provided by Parliament to be paid into the National Insurance Fund up to a limit of 5 per cent of the estimated benefit expenditure for the financial year ending with 31st March 2025. Regulation 5 makes corresponding provision for Northern Ireland, by giving effect to Article 4(3) of the Social Security (Northern Ireland) Order 1993.

Regulation 6 extends the availability of the zero-rate relief on secondary Class 1 NICs for employers of veterans for the tax year 2024-25. That relief is provided for in the NICA 2022.

A Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and it relates to routine changes to limits and thresholds. A Tax Information and Impact Note covering NICs thresholds and related changes to income tax thresholds (remaining at 2022-23 levels until 2027-28) is available at <https://www.gov.uk/government/publications/the-personal-allowance-and-basic-rate-limit-for-income-tax-and-certain-national-insurance-contributions-nics-thresholds-from-6-april-2026-to-5-apr/income-tax-personal-allowance-and-the-basic-rate-limit-and-certain-national-insurance-contributions-thresholds-from-6-april-2026-to-5-april-2028>.

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