

Group protection

GR1 2022–23 edition

Web update 1: 13 December 2022

Please note the following updates to your copy of the GR1 study text:

National Insurance contributions (NICs) & health and social care levy

As announced in the Growth Plan 2022:

- The additional 1.25 percentage points previously added to all 2022/23 class 1, class 1A and 4 NICs rates have been scrapped with effect from 6 November 2022.
- For class 1 NICs, this means employee rates have been cut from 13.25% and 3.25% to 12% and 2% respectively. The employer rate has been cut from 15.05% to 13.8%.
- The 1.25% health and social care levy, which was due to replace the NICs increase from 2023/24, will be abandoned.

Therefore, the following content should be updated as **highlighted**:

Chapter 3, section B, page 3/4

NICs increased by 1.25% from 6 April 2022 to 5 November 2022. This increase was in line with the 1.25% health and social care levy that was introduced from 6 April 2022 and was supposed to be a separate charge in addition to the rates of NICs. However, from 6 April to 5 November 2022, the 1.25% levy was included within the rates of NICs. This charge was scrapped from 5 November 2022.

Chapter 3, section B2A, page 3/4

Note that employees pay:

- no contributions on earnings below the PT of £242 per week;
- 13.5% from 6 April 2022 to 5 November 2022 on earnings between £242 per week and the upper earnings limit (UEL) of £967 per week;
- 12% from 6 November 2022 to 5 April 2023 on earnings between £242 per week and the upper earnings limit (UEL) of £967 per week;
- an additional 3.25% from 6 April 2022 to 5 November 2022 on earnings over £967 with no limit;
- an additional 2% from 6 November 2022 to 5 April 2023 on earnings over £967 with no limit.

Chapter 3, section B2B, page 3/5

NI table of contributions 2022/23

Employees	
Up to £242 per week	nil
£242.01 to £967 per week	13.25% <u>from 6 April 2022 to 5 November 2022</u> 12% <u>from 6 November 2022 to 5 April 2023</u>
Over £967 per week	3.25% <u>from 6 April 2022 to 5 November 2022</u> 2% <u>from 6 November 2022 to 5 April 2023</u>
Employers	
Up to £175 per week	nil
All earnings above £175 per week	15.05% <u>from 6 April 2022 to 5 November 2022</u> 13.8% <u>from 6 November 2022 to 5 April 2023</u>
Self-employed	
Class 2 contributions (flat rate) on earnings above £6,515	£3.15 per week
Class 4 contributions (additional levy) on profits between £11,908 and £50,270. Plus <u>2.73%</u> on profits over £50,270 with no limit	<u>9.75%</u>
Class 3 contributions (voluntary)	£15.85 per week