



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,

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- (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;