

A6/2024: The Social Security (Class 2 National Insurance Contributions) (Consequential Amendments and Savings) Regulations 2024

Introduction

Who should read – HB Staff. The Social Security (Class 2 National Insurance Contributions) (Consequential Amendments and Savings) Regulations 2024

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Subject

The Social Security (Class 2 National Insurance Contributions) (Consequential Amendments and Savings) Regulations 2024

Guidance manual

The information in this circular does affect the content of the Housing Benefit Guidance Manual. Please annotate this circular number against paragraphs:

- W2.311, W2.313, W2.370, W2.410 – W2.412, W2.421, W2.465 and Annex A of Chapter BW2
- P2.311, P2.313, P2.370, P2.411 – P2.412, P2.421 & P2.465 and Annex A of Chapter BP2

Queries

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Introduction

1. This circular provides details of The Social Security (Class 2 National Insurance Contributions) (Consequential Amendments and Savings) Regulations 2024 (SI 2024/377), which makes minor amendments to various social security legislation to enact changes made by the National Insurance (reduction in rates) Act 2003, which removed the liability to pay Class 2 National Insurance Contributions from 6 April 2024.

2. Amendments have been made to the Housing Benefit Regulations 2006 (SI 2006/213) and the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (SI 2006/214). These amendments came into force on 6 April 2024.

Background

3. The government announced as part of the Autumn Statement 2023 that, from 6 April 2024, self-employed people will no longer be liable to pay Class 2 National Insurance Contributions as it will be treated as paid.

4. Self-employed people with an income below the small profit threshold, which is currently £6,725, can pay voluntary Class 2 National Insurance Contributions to maintain access to contributory benefits.

Impact on Housing Benefit

5. SI 2006/213 and SI 2006/214 have been amended so that references to Class 2 National Insurance Contributions have been deleted. This means that they are no longer deducted when calculating self-employed net income.

6. These changes apply from 6 April 2024 to:

- new assessments of self-employed net income after that date
- existing self-employment cases which should be reassessed from 6 April 2024 - Note: the changes do not apply to any net income from self-employment before that date