

Government's Autumn Statement - Reduction in National Insurance from 6 January 2024

Impact on net pay from January 2024

The Government's Autumn Statement announced a reduction of 2% in Employees National Insurance contributions up to £4,189 per month from 6 January 2024.

Generally, if you pay National Insurance on your earnings, this will mean that your net pay will rise.

From 6 January 2024 National Insurance Contributions based on your earnings will be calculated as follows:

- No national insurance payable if you earn less than £1048 per month
- 10% (a decrease from 12%) on earnings between £1,048 and £4,189 a month
- 2% on income over £4,189 a month

The government has shared some of its estimates for those who pay National Insurance here

[Autumn Statement 2023: National Insurance Factsheet – GOV.UK](#)

Impact on Salary Sacrifice Schemes

Employees who participate in the Council's salary sacrifice schemes (including Shared Cost Additional Voluntary Contributions, Cycle to Work and Childcare Vouchers) will not need to make any changes to their deductions. Employees may however notice a change in the amount of National Insurance savings they make.

If you want to take advantage of the Shared Cost Additional Voluntary Contributions scheme, please visit www.avcwise.co.uk/register

The scheme is available to LGPS members only, and as part of one of the best pension schemes available in the UK, you have an opportunity to build your pension pot without reducing your main scheme benefits.

The scheme allows you to make immediate Income Tax and National Insurance contribution savings on your money through payroll.

If you want to take advantage of the Cycle to work scheme please visit the [Cycle to Work scheme page on Our Derbyshire website](#).

The government introduced a tax free alternative to childcare vouchers so new employees wishing to benefit can [find out more information on the Our Derbyshire Childcare vouchers webpage](#).

Existing employees can continue to benefit from the existing scheme.