



NI reduction

Employee Fact Sheet

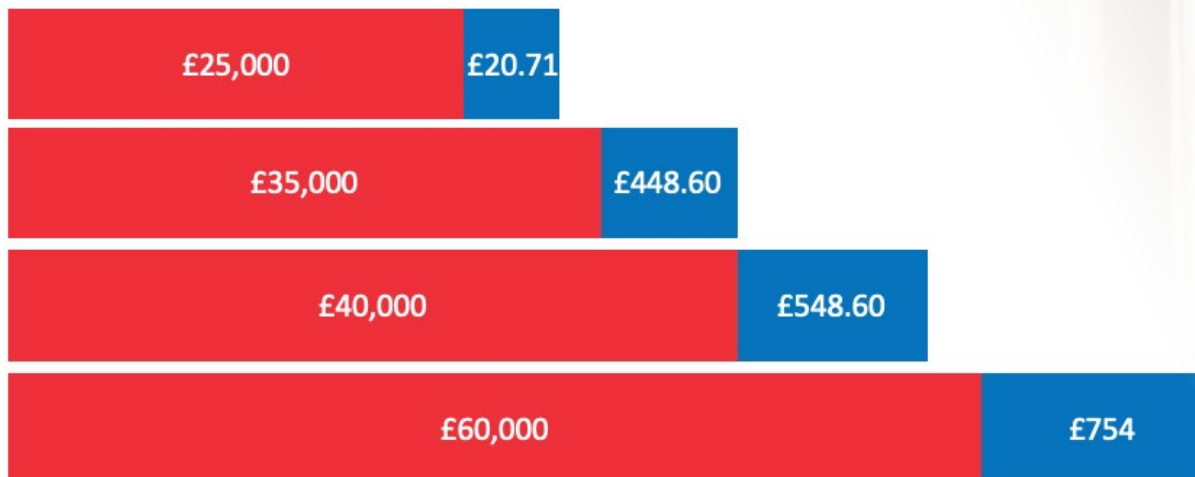
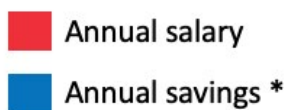
From 6th January 2024, National Insurance will be reduced, benefitting around 27 million employees.

Key Points to note:

- NI will be reduced to 10%, down 2% from 12%
- The average worker will pay over £1,000 less in personal taxes in 2024-25
- From April 2024, a full-time National Living Wage worker's take-home pay will be 30% greater in real terms than it was in 2010

Currently, anyone earning between £12,570 and £50,270 pays 12% of their annual earnings in NI. So, this change represents a £450 savings annually for someone earning the average salary.

The below graph represents the annual savings for taxpayers across various salary bands:



* Effective from 6th January 2024



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Do you have a spouse or friend who is self-employed?

The average self-employed person also stands to benefit from a reduction in National Insurance, which will commence on 6th April 2024, affecting around 2 million people. The main rate will be cut from 9% to 8%, which will represent about £350 for the average self-employed person earning £28,200 annually. Self-employed people with profits above £12,570 will no longer be required to pay Class 2 NICs (£3.45 flat weekly rate) in 2024-25. However, they will continue to receive access to contributory benefits, including the State Pension.

To learn more [visit the HMRC website](#)

Are you on the correct tax code? [This document provides more detail](#)

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