

2016 No. 63

SOCIAL SECURITY

**The Employment Allowance (Increase of Maximum Amount)
Regulations 2016**

Approved by both Houses of Parliament

Made - - - - 25th January 2016

Laid before Parliament 25th January 2016

Coming into force - - 6th April 2016

The Treasury makes the following Regulations in exercise of the power conferred by section 5(1)(a) of the National Insurance Contributions Act 2014^(a).

Citation and commencement

1. These Regulations may be cited as the Employment Allowance (Increase of Maximum Amount) Regulations 2016 and come into force on 6th April 2016.

Amendment to the National Insurance Contributions Act 2014

2. In section 1(2)(a) of the National Insurance Contributions Act 2014 (employment allowance for national insurance contributions), for “£2,000” substitute “£3,000”.

*David Evennett
George Hollingbery*

25th January 2016

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the National Insurance Contributions Act 2014 (c. 7) (“the Act”).

Persons who incur liabilities to pay secondary Class 1 National Insurance contributions during a tax year are entitled under section 1 of the Act to claim an allowance, known as the “employment allowance”, which they can deduct from their payments in respect of these liabilities. Regulation 2 amends section 1(2)(a) of the Act so as to increase the maximum amount of the employment allowance from £2,000 to £3,000 for the tax year 2016-17 and subsequent tax years.

A Tax Information and Impact Note covering this instrument will be published on the HMRC website at <http://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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