

Tax cut worth up to £330 comes in for 30 million workers

- 30 million people across the UK will benefit from the biggest personal tax in a decade from today
- Hard working Brits will save up to £330 per year – 2.2 million lifted out of personal tax altogether
- 70% of UK workers now paying less National Insurance, even after accounting for the Health and Social Care Levy

The £6 billion tax cut will see the level at which people start paying National Insurance rise to £12,570 – lifting 2.2 million people out of paying any personal tax and ensuring people get to keep more of the money they earn.

The threshold change means that 70% of UK workers will pay less National Insurance, even after accounting for the Health and Social Care Levy that is funding the biggest catch up programme in NHS history and putting an end to spiralling social care costs.

From today the level at which people start paying National Insurance has risen from £9,880 to £12,570.

This change means that millions of people working across hundreds of different industries across the UK will now be better off.

This includes bricklayers who'll save £218, care workers who'll save £324, hairdressers who will get a £118 benefit and nursery assistants who'll get a £343 yearly boost.

Workers can check their salary in the government's [online tool](#) to estimate the amount they could save between July 2022 to July 2023.

The last major personal tax cut of today's magnitude was nearly ten years ago, when the income tax personal allowance increased by £1,100 in 2013. Today's threshold change is more than double that, as working people are now able to hold on to an extra £2,690 free from tax.

Today's change to National Insurance thresholds comes as part of the Chancellor's wider vision for a lower tax economy. At the Spring Statement Mr Sunak announced a 1p income tax cut in 2024 – which will be the first cut to the basic rate in 16 years and will save the average taxpayer a further £175 a year. The Chancellor also committed to cutting and reforming business taxes later this year in the autumn, to help spur business growth and productivity. The government is currently working with industry on how best to do that.

The increase to the National Insurance thresholds will leave around 76% of National Insurance payers in the North East better, 75% in the North West and Merseyside, and 62% in London.

Today's landmark personal tax cut also comes as the government launched new

Help for Households campaign designed to raise awareness and signpost people to the £37 billion in support on offer and targeted at those most in need. The support provides millions of the most vulnerable households at least £1,200 of support in total this year to help with the cost of living, with all domestic electricity customers receiving at least £400 to help with their bills.

It also includes a 5p fuel duty cut – the biggest cut ever to fuel duty rates, a rise in the national living wage to give full time workers an extra £1,000 and a cut to the Universal Credit taper rate to provide over 1 million families an extra £1,000.

The NICs threshold change takes effect following the government making tough but responsible decisions to manage the public finances responsibly and choosing not to saddle future generations with almost £400 billion of debt used to protect jobs and the economy during the pandemic – worth around £5,500 for every person in the UK.

Further information

- Visit the government’s [cost of living support website](#)
- Personal Tax [factsheet](#)
- Spring Statement [Tax Plan](#)
- With those with the broadest shoulders bearing the biggest burden, the government is taking decisive action through the Health and Social Care Levy to tackle the NHS backlog and fix the social care crisis – something governments have ducked for decades.
- Over the last decade the government increased the personal allowance people have before they pay any income tax from £6,475 in 2010 to £12,570 today. This has lifted millions of the poorest out of paying any income tax at all, and meant a real terms tax cut of £750 for 27 million people.

Example occupations paying less National Insurance, even after accounting for the Health and Social Care Levy, below (list from [ONS](#) and checked through the government’s [online tool](#))

Occupation	Median salary (£)	Calculator result
Hospital porter	19860	£292 less
Shelf stacker	12351	£333 less
Security guard	24814	£246 less
Fork-life truck drivers	25072	£243 less
Van drivers	20250	£289 less
Lorry drivers	30620	£191 less
Construction workers	26619	£229 less
Sewing machinists	16651	£322 less
Tyre fitters	22513	£267 less
Metal workers	22842	£264 less
Retail cashiers and sales assistants	10555 / 12071	£112 less / £298 less

Hairdressers, beauticians and barbers	10608	£118 less
Care workers	16502	£324 less
Nursery assistants	14462	£343 less
Chefs	17906	£311 less
Butchers	22561	£267 less
Fishmongers	18987	£300 less
Bakers	19933	£292 less
Painters and decorators	23224	£261 less
Builders, floorers, wall tilers and plasterers	25030	£244 less
Bricklayers	27756	£218 less
Plumbers	31602	£182 less
Carpenters and joiners	27520	£220 less
Receptionists	14317	£344 less
Youth workers	23136	£262 less

When looking at the combined impact of the Levy and the Health and Social Care Levy, from July, a breakdown is below showing the percentage of National Insurance better off in regions across the UK.

Percentage of NICs payers Region

76%	North East
75%	North West and Merseyside
76%	Yorkshire and the Humber
74%	East Midlands
74%	West Midlands
67%	East of England
62%	London
65%	South East
73%	South West
77%	Northern Ireland
70%	Scotland
75%	Wales