

LORDS AMENDMENTS TO THE  
NATIONAL INSURANCE CONTRIBUTIONS BILL

[The page and line references are to HL Bill 28, the bill as first printed for the Lords.]

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**Clause 1**

- 1** Page 1, line 4, leave out from “(1),” to “, and” and insert “for the words from “those limits” in the second place where they appear to the end substitute “the upper earnings limit from 2010-11, shall be made in accordance with section 5A below.””
- 2** Page 1, line 5, at end insert—
- “( ) After section 5 of that Act insert—
- “5A Amount to be specified as upper earnings limit**
- (1) This section applies for 2010-11 and subsequent tax years if the retail prices index for the September before the start of the tax year is higher than it was for the previous September.
- (2) The upper earnings limit may be increased to an amount which does not exceed the amount found as follows—
- Step 1*  
Increase the upper earnings limit for the previous tax year by the same percentage as the percentage increase in the retail prices index.
- Step 2*  
If the result of Step 1 is not a multiple of £1, round it up to the nearest amount which is a multiple of £1.
- Step 3*  
Add to or deduct from the result of Step 2 an amount not exceeding £2 determined by the Secretary of State for the purposes of aligning the upper earnings limit on an annual basis with the sum of the personal allowance and the basic rate limit under sections 20 and 35 of the Income Tax Act 2007 for the tax year.””

**Clause 2**

3 Page 1, line 17, leave out from “(1),” to “, and” and insert “for the words from “those limits” in the second place where they appear to the end substitute “the upper earnings limit from 2010-11, shall be made in accordance with section 5A below.””

4 Page 1, line 18, at end insert –

“( ) After section 5 of that Act insert –

**“5A Amount to be specified as upper earnings limit**

(1) This section applies for 2010-11 and subsequent tax years if the retail prices index for the September before the start of the tax year is higher than it was for the previous September.

(2) The upper earnings limit may be increased to an amount which does not exceed the amount found as follows –

*Step 1*

Increase the upper earnings limit for the previous tax year by the same percentage as the percentage increase in the retail prices index.

*Step 2*

If the result of Step 1 is not a multiple of £1, round it up to the nearest amount which is a multiple of £1.

*Step 3*

Add to or deduct from the result of Step 2 an amount not exceeding £2 determined by the Secretary of State for the purposes of aligning the upper earnings limit on an annual basis with the sum of the personal allowance and the basic rate limit under sections 20 and 35 of the Income Tax Act 2007 for the tax year.””

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