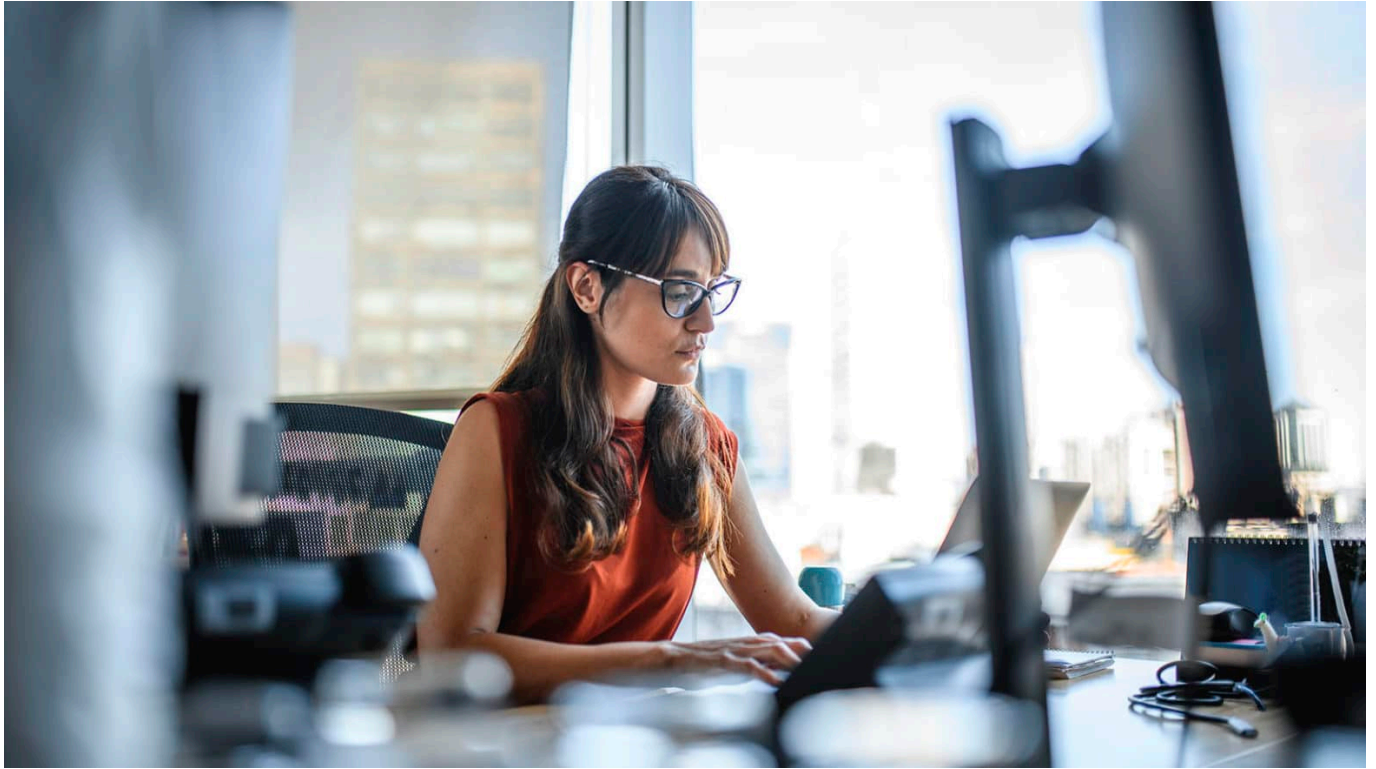


## Autumn statement 2023: key employment changes

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Chancellor Jeremy Hunt's '[Autumn Statement for Growth](#)' outlined a variety of new measures related to employment. The key changes are:

### National Insurance and National Living Wage

The National Insurance rate for employees will be cut from 12% to 10% from 6 January 2024. The Class 2 National Insurance charge will be abolished for the self-employed, and Class 4 charges will be cut by 1% from April 2024. These reforms will reportedly save an average of £350 a year for those who are self-employed.

The National Living Wage will increase to £11.04 per hour, and it will be extended to 21 and 22 year olds who currently are only guaranteed the lower National Minimum Wage for their age bracket.

The Chancellor confirmed that the reforms are aimed at increasing the number of people in work, and the changes to National Insurance alone will lead to a further 94,000 people in full time employment.

### Reforming fit notes

The government wants to reform the fit note process to support those returning to work following a period of illness. The Chancellor confirmed that there will be trials in a small number of Integrated Care Systems in England to test changes in increasing access to health and employment support and referrals for those who have received a fit note for a prolonged period of time, as well as new designs of the fit note.

In 2024, the government will also discuss wider reforms to examine the various options in improving fit note



assessments for individuals whose health affects their ability to work. There will also be consultations regarding the integration of quicker access to specialised employment and health support for a return to work. There are now 2.6 million people who are economically inactive due to long-term sickness and disability, which is almost half a million more than before Covid.

The government is also looking to expand the Universal Support Programme that matches those with health conditions and disabilities with job vacancies, as well as the NHS Therapies programme, and Individual Placement and Support, to help people with mental health conditions. It aims to work with employers and business representatives to develop and promote best employment practices.

## Off-payroll working (IR35)

The government will legislate to allow HMRC to reduce the PAYE liability of a deemed employer to account for taxes paid by a worker and their intermediary on payments received where an error has been made in applying the off-payroll working rules.

## Triple lock pensions

The government is sticking to their pensions triple lock promise by increasing the State Pension by 8.5% to £221.20/week. The rise will come into effect from April 2024.

On a separate note, the Chancellor also announced that he will consult on giving employees the right to have their contributions paid into their existing pension scheme when they start a new job. This will allow employees to have one pension pot that follows them whenever they change jobs, giving them 'one pension pot for life', rather than having to transfer or combine their pension pots every time they join a new company.

## How we can help

If you need further help or advice on what this could mean for your business, contact our expert [employment law team](#).



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