

Financial planning practice

R06: 2023–24 edition

Web update 2: 16 January 2024

Please note the following update (amendments in **bold**) to your copy of the **R06** study text:

National Insurance contributions (NICs)

As announced in the November 2023 Autumn Statement:

- The main rate of employee Class 1 NICs has been cut from 12% to 10% from 6 January 2024.
- Directors have an annual earnings period, so a blended employee rate of 11.5% will apply for 2023/24 (this rate should also be used for employees if calculating NICs on an annual basis).
- There is no change for employer Class 1 NICs.

Therefore, the following parts of **Example 4.2** in **Chapter 4, Section C3** on **page 4/8**, should be updated as highlighted:

Total income tax	26,332.00
NICs on a company director's employment earnings of £60,000 at the blended employee rate of 11.5% of band earnings between £12,570 and £50,270 (£4,335.50) and 2% on earnings from employment above £50,270 (£194.60)	4,530.10
Class 4 NICs on freelance earnings above £12,570 (lower profits limit) at 2%***	48.60
Total tax and NICs	30,910.70
Net income	69,089.30

Notes

- This change will be examined from 22 February 2024.
- This update has been incorporated into the digital copies (printable PDF and ebook) of the study text, available on RevisionMate.