

## **Mid Sussex to be hit by £31,980,101 National Insurance bombshell as cost of living crisis bites**

- Typical family in Mid Sussex set to pay an extra £208.30 in national insurance contributions (NICs) this year as cost of living crunch hits.
- Local businesses are also set to feel the squeeze with £19,188,061 tax hit.
- Lib Dems demand emergency VAT tax cut to put money back in the pockets of struggling families.

Families and businesses in Mid Sussex are facing a £31,980,101 tax bombshell this year due to the Conservative hike to national insurance, research by the Liberal Democrats has revealed.

National Insurance payments went up this week (April 6) from 12.5% to 13.25%, after Boris Johnson's decision to break a Conservative manifesto promise and hike the tax.

The latest figures from the Office for Budget Responsibility predict that the country is facing a £10.9 billion tax hit this year from the move, with around 40% of this being paid by workers and the rest by businesses.

It means that families in Mid Sussex area are set to pay out an estimated £12,792,040 more in National Insurance contributions, or an average of £208.30 each, at a time when families are already facing soaring heating bills.

The Conservatives' broken promise is also set to hit the high street in Mid Sussex hard, with a £19,188,061 tax raid on local businesses including shops, restaurants and cafes.

Mid Sussex Liberal Democrats have set out plans to "kill two birds with one stone," by slashing the top rate of VAT to 17.5% this year. The move would save families an average of £600 and give businesses a boost by encouraging spending and keeping prices low.

### **Liberal Democrat Prospective Parliamentary Candidate for Mid Sussex, Cllr Alison Bennett said:**

"Families in our area are being crippled by the worst cost of living crisis in a generation, struggling to put food on the table and afford sky-high energy bills.

"The last thing they need is an unfair tax raid. Yet the Conservatives are piling on the misery by breaking their promise not to hike up national insurance, in a move that will hit our community hard.

"The Liberal Democrats are fighting for a fair deal that would put money back into people's pockets through an emergency tax cut. Our plans would kill two birds with one stone, helping those struggling to make ends meet while giving our treasured local businesses the shot in the arm they need."

### **ENDS**

#### Notes to Editors:

A breakdown of the estimated NICs hit by local authority area can be found [here](#).

Household data: [ONS - Estimated number of households in Great Britain in NUTS 1, NUTS 3, English and Welsh local authorities and Scottish council areas, 2020](#)

- According to the latest forecasts from the Office for Budget Responsibility, the National Insurance rise will lead to a net increase of £10.9 billion in tax receipts for the Government in 2022-23 ([March 2022 EFO, Table A.5, p.205](#))
- According to the House of Commons Library, approximately 60% of this increase will derive from employers' NICs; 38% from employee NICs; and 2% from self-employed NICs. (Source: House of Commons Library analysis of: Government Actuary's Department (2022), 'Report to Parliament on the 2022 re-rating and up-rating orders', [Appendix G](#); OBR. [Economic and fiscal outlook – March 2022](#), supplementary table 3.11; OBR. [Economic and fiscal outlook – March 2022](#), Table 3.4)
- This suggests that this year, employers will pay an additional £6.6 billion in NICs; employees an additional £4.2 billion; and the self-employed an additional £219 million.
- This analysis uses the last 12 months of [aggregate pay figures](#) provided by the ONS (February 2021 - January 2022). Table 22 of this release breaks down UK aggregate pay by Local Authority. Our analysis used these figures to calculate the share of aggregate pay corresponding to each local authority. Given that National Insurance is directly linked with gross pay, one can estimate that a local authority's share of UK aggregate pay roughly corresponds to its share of the UK-wide NI hit.