Health and Social Care Levy Bill

HL Bill 52 of 2021–22

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On 11 October 2021, the House of Lords is due to consider the Health and Social Care Levy Bill at second reading and remaining stages.

The bill would provide for a new tax dedicated to helping fund the Government's plans for health and social care, with proceeds ringfenced for this purpose. The new 'health and social care levy' would be based on a 1.25% increase in the main classes of national insurance contributions (NICs). The levy would be introduced in the 2023/24 tax year, after temporary transitional arrangements to increase NICs rates by the same amount in 2022/23 to allow for systems to be updated. The bill would give the Chancellor discretion to determine the share of proceeds from the levy allocated between health and social care and to each of the UK's constituent nations. An increase in dividend tax rates, running alongside the levy and expected to raise additional funds for the plans, is set to be legislated for separately in the next Finance Bill.

The bill was introduced in the House of Commons as a supply bill, founded on a ways and means resolution debated and agreed on 8 September 2021. The Commons then considered the bill at second reading and remaining stages on 14 September 2021, before passing it without amendment.

The Government had set out its plans for health and social care in a command paper, entitled *Build Back Better: Our Plan for Health and Social Care*, published a day earlier on 7 September. The Government intends to consult on some of the proposals in this document in October 2021, with a white paper on social care reform following later in the year.

The House of Lords may pass or reject supply bills, but the House of Commons deems amendments to such bills to be an "intolerable breach of privilege". In addition, the Speaker of the House of Commons has certified the bill as a money bill. This means the bill can be presented for royal assent to become an act if the House of Lords does not pass it without amendment within a month.

The Government has justified fast tracking the legislation as follows:

> The legislation is required to be in place for the 2022/23 tax year, which starts on 6 April 2022. The increase in national insurance rates for that year will require changes to be made to the systems of employers and HMRC (including those designed to facilitate pay as you earn [PAYE]). To help ensure that people are not over or under taxed it is important for both those employers and HMRC to have as much time as possible to implement the changes. This is particularly important given all employers in the UK liable for NICs will be affected.

1. Overview of the bill's provisions

The bill introduced in the House of Lords is unchanged from the version introduced in the House of Commons. It has seven clauses, five of which are substantive:

- **Clause 1** provides for a new tax—the health and social care levy—to be chargeable on every person who is liable to pay, or would be liable to pay if pension age restriction provisions were ignored, a qualifying national insurance contribution (NIC). This would be set at 1.25% of qualifying earnings (for employees and employers), or profits (for the self-employed). This would take effect from April 2023.
- **Clause 2** would hypothecate the proceeds of the levy, after the deduction by HMRC of expenses, for health and social care-related spending across the UK. HM Treasury would have discretion to determine the share allocated between health and social care and to each of the UK's constituent nations.
- **Clause 3** would apply national insurance legislation to the levy, with certain exceptions.
- **Clause 4** would provide HM Treasury with regulation-making powers in respect of the levy.[1]
- **Clause 5** provides for transitional arrangements to increase certain classes of NICs by 1.25% in the 2022/23 financial year while ensuring the funds are payable to the NHS.
- **Clause 6** concerns interpretation; and **clause 7** provides for the short title and specifies that the act would bind the crown.

2. Background

2.1 Proposal for a new 'health and social care levy'

On 7 September 2021, Prime Minister Boris Johnson set out details of a proposed new tax to raise funds in support of the Government's plans for health and social care.[2] The new 'health and social care levy' would be a key part of a revenue-raising package expected to raise £12 billion per year on average over the next three years to tackle NHS backlogs and support reform of the adult social care system. Mr Johnson said:

> […] from next April [2022] we will create a new UK-wide 1.25% health and social care levy on earned income, hypothecated in law to health and social care, with dividends rates increasing by the same amount. This will raise almost £36 billion over the next three years, with money from the levy going directly to health and social care across the whole of our United Kingdom.

In a command paper on its plans for health and social care reform published alongside the statement, the Government confirmed the new levy would be based on NICs.[3] The document explained that the levy would be collected from certain classes of NICs from April 2022, when an increase in dividend

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[1] See HM Treasury, '[Letter from Jesse Norman to Dame Eleanor Laing ref the powers contained in the Health and Social Care Levy Bill](#)', 14 September 2021.

[2] [HC *Hansard*, 7 September 2021, cols 153–81](#).

[3] HM Government, [*Build Back Better: Our Plan for Health and Social Care*](#), 7 September 2021, CP 506, p 7.

tax rates would also take effect.[4] It added the levy would then be formally separated out from NICs from April 2023, once HMRC systems had been updated. The levy would also extend to individuals working above state pension age from April 2023. Such individuals are not currently liable to pay NICs on their earnings.

The command paper said both the levy and the temporary NICs increase would be legislated for "shortly".[5] It added the increase in dividend tax rates would be provided for in the next Finance Bill.

2.2 Rationale for increasing national insurance contributions

In his statement, Mr Johnson argued that it was "right, reasonable and fair" to base the levy on NICs.[6] Commenting on why other options to raise revenue had not been chosen, he continued:

> Some will ask why we do not increase income tax or capital gains tax instead, but income tax is not paid by businesses, so the whole burden would fall on individuals, roughly doubling the amount that a basic rate taxpayer could expect to pay, and the total revenue from capital gains tax amounts to less than £9 billion this year. Instead, our new levy will share the cost between individuals and businesses, and everyone will contribute according to their means, including those above state pension age. So those who earn more will pay more, and because we are also increasing dividends tax rates, we will be asking better-off business owners and investors to make a fair contribution too. In fact, the highest-earning 14% will pay around half the revenues. No one earning less than £9,568 will pay a penny, and the majority of small businesses will be protected, with 40% of all businesses paying nothing at all.

The command paper elaborated that "only a broad-based tax base like income tax, VAT or NICs can raise the sums needed for such a significant investment in health and social care".[7] It added that basing the levy on NICs had "several advantages". These were listed as follows:

- **It is based on the principle that every individual should contribute according to their means**. Those who earn more pay more. Many small businesses are also protected. 70% of the money raised from businesses will come from the largest 1% of businesses, while 40% of all businesses will pay nothing extra.
- **The levy shares the cost of improving the health and social care systems between individuals and businesses across the UK**. Basing the levy on NICs means that employers will be asked to pay a little more alongside most employees and the self-employed.
- **Successive governments have increased NICs to fund investment in the NHS and other national priorities**, including in 2003 and 2011. The NICs system was set up to fund social security and to support those who have contributed to it over their working lives.

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[4] The levy will apply to class 1 employee; class 1A and 1B employer; and class 4 self-employed NICs. It will not apply to class 2 and class 3 NICs. For further information, see GOV.UK, 'National insurance', accessed 27 September 2021.

[5] HM Government, *Build Back Better: Our Plan for Health and Social Care*, 7 September 2021, CP 506, p 24.

[6] HC *Hansard*, 7 September 2021, col 154.

[7] HM Government, *Build Back Better: Our Plan for Health and Social Care*, 7 September 2021, CP 506, p 23.

- **There is an existing NICs ringfence for the NHS**. This ringfence was established in 1948 and expanded in 2003. These additional contributions will also go to supporting the health and social care system, and this will be displayed clearly on payslips.
- **It provides a clear UK-wide approach**. All parts of the UK need a long-term solution to funding health and social care. NICs are set on a UK-wide basis and are therefore an appropriate way to raise and distribute funds across the UK.
- **It is consistent with international best practice**. France, Germany and Japan have all increased social security contributions to fund social care provision—the latter two with specific social care levies.[8]

The command paper further stated that existing or planned NICs reliefs would apply to the levy, including those applicable to young apprentices, veterans and employers in freeport areas.

2.3 Reaction to the proposals

There was immediate criticism of the Government's choice to base the levy on NICs.[9] In response to Mr Johnson's statement to the House of Commons, Leader of the Opposition Keir Starmer observed the levy would break a Conservative manifesto pledge not to raise national insurance rates:

> This is a tax rise that breaks a promise that the Prime Minister made at the last election, a promise that all Conservative members made—every single one of them. It is a tax rise on young people, supermarket workers and nurses; a tax rise that means that a landlord renting out dozens of properties will not pay a penny more, but the tenants working in full-time jobs will; and a tax rise that places another burden on businesses just as they are trying to get back on their feet. Read my lips: the Tories can never again claim to be the party of low tax.[10]

Ian Blackford, the Scottish National Party's leader at Westminster, also criticised the decision to base the levy on NICs. He said:

> It is telling that as we hopefully emerge from the covid crisis, the first act of this Prime Minister is to impose this regressive tax. The scandal of the tax hike is that it will fall hardest on the young and the lowest paid—the two groups that have suffered the worst economic consequences of the pandemic. Pre-covid and post-covid, the pattern is the same, and this Government have learned nothing. Westminster keeps adding to the growing burden that young people face while stripping them of the benefits that previous generations enjoyed.[11]

Ed Davey, Leader of the Liberal Democrats, also criticised the Government's proposal. He characterised the levy as an "unfair tax" for those affected by the pandemic, particularly the low-paid, the young and small business owners.[12]

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[8] HM Government, *Build Back Better: Our Plan for Health and Social Care*, 7 September 2021, CP 506, pp 23–4.

[9] See House of Lords Library, 'Social care funding: a rise in national insurance', 10 September 2021.

[10] HC *Hansard*, 7 September 2021, cols 156–7.

[11] ibid, cols 158–9.

[12] ibid, col 161.

Earlier comment

In the weeks leading up to the announcement, there were press reports that the Government was considering an increase in NICs to fund reforms to adult social care in England.[13] The reports led to a variety of comment on the potential policy option, much of which was critical.

For example, Torsten Bell and Adam Corlett of the Resolution Foundation wrote in late July that the Government would be "100% wrong" to raise NICs to raise funds for social care.[14] They argued that raising income tax would be a "far superior alternative". They criticised the proposed policy on at least three grounds:

- young people and low earners would be disproportionately affected by a rise in NICs;
- national insurance is levied only from earnings, and not from unearned income, so those in work would need to contribute more; and
- increasing national insurance would increase the 'tax gap' between employees and the self-employed.

Professor Len Shackleton, Editorial and Research Fellow at the Institute of Economic Affairs, also criticised the proposal.[15] He argued raising national insurance would be "yet another burden on working age people at a time when jobs are insecure, inflation is rising, and wages are squeezed". He added that national insurance was "simply an income tax by another name, albeit with different exemptions, starting points and arbitrary changes in rates which don't coincide with tax bands", before calling for a merger of the charge with income tax as a means to "redress some of the inequities in our overly complex and badly designed tax system".

Around the same time, Paul Johnson, Director of the Institute for Fiscal Studies (IFS), was reported to have questioned the fairness of raising national insurance.[16] He said that "funding social care just from national insurance would be very inequitable. It would be a continuation of a long-term policy of hitting those of working age while protecting pensioners even for something designed to benefit people well over pension age".

Later comment

Reaction continued after the Government made clear it intended to base the new health and social care levy on NICs, albeit with the new levy applying to those working above pension age. For example, in a press release published on the day of the Prime Minister's statement, the Chartered Institute of Taxation noted the Government's proposals would:

- increase the gap between the taxes the Government get from someone being employed and someone being self-employed;

[13] See, for example: Steven Swinford, 'Rise in national insurance to pay for Tories' social care reforms', *Times* (£), 20 July 2021.

[14] Resolution Foundation, *A Caring Tax Rise? The Impacts of a Potential Increase in National Insurance*, 21 July 2021.

[15] Institute of Economic Affairs, 'National insurance hike "yet another burden on working age people", says IEA expert', 20 July 2021.

[16] Steven Swinford, 'Rise in national insurance to pay for Tories' social care reforms', *Times* (£), 20 July 2021.

- increase the gap between tax people pay on their employment income and tax they pay on income from renting out property;
- increase the share of taxes that come from employment income overall, partly in order to help people retain and pass on their wealth; and
- potentially set a precedent for including people of pensionable age within the scope of national insurance.[17]

The Federation of Small Businesses (FSB) called the proposed rise in NICs and dividend tax rates a "hammer blow for small firms".[18] National Chair Mike Cherry contended that the increases amounted to an "anti-jobs, anti-small business, anti-start up manifesto breach". The FSB later suggested the policy "could cause 50,000 more people to be left out of work".[19]

The British Chambers of Commerce also came out against the proposed tax increases. Head of Economics Suren Thiru said that businesses "strongly oppose a rise in national insurance contributions as it will be a drag anchor on jobs growth at an absolutely crucial time".[20]

The Institute of Directors similarly criticised the announcement. Chief Economist Kitty Ussher said it was an "extraordinary time to be adding additional burden to business and the cost of employing staff, just as it looks to recover from the pandemic".[21] She added the policy "smacks of political opportunism, exploiting public sentiment at the expense of some of the most productive and entrepreneurial segments of the economy".

The manufacturers' organisation Make UK joined the criticism of the NICs rise, arguing that "putting a tax on jobs and workers at a time when Government is pulling the furlough scheme is ill-timed as well as illogical".[22]

TUC General Secretary Frances O'Grady also voiced opposition to the policy. She argued that the proposal to increase dividend tax rates "should have been just one piece in a plan to tax wealth, not an afterthought to a plan to tax the low-paid workers who've got us through the pandemic".[23] Ms O'Grady alleged the Government was "raiding the pockets of low-paid workers, while leaving the wealthy barely touched". The TUC had earlier proposed increasing capital gains tax to raise funds for social care.

Paul Johnson from the IFS said that the suggested levy on employee earnings and employer wage costs, despite applying to working pensioners and running alongside an increase in dividend tax rates, "remains a tax which will be overwhelmingly borne by workers with very little coming from

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[17] Chartered Institute of Taxation, 'CIOT comments on health and social care levy announcement', 7 September 2021.

[18] Federation of Small Businesses, 'Firms call for employment allowance rise amid "anti-small business" tax hikes', 7 September 2021.

[19] Federation of Small Businesses, 'Unemployment to rise by 50,000 due to jobs tax hike, new analysis finds', 8 September 2021.

[20] British Chambers of Commerce, 'BCC opposed to planned "health and social care levy"', 7 September 2021.

[21] Institute of Directors, 'IoD: Government targeting small company directors yet again', 7 September 2021.

[22] Make UK, 'Make UK's comment in response to the increase in national insurance contributions', 7 September 2021.

[23] TUC, 'PM's social care announcement is "deeply disappointing" to workforce', 7 September 2021.

pensioners".[24] He added that it was "disappointing" the Government had not found a "better package of tax measures" to fund the planned spending increases. Mr Johnson added that an increase in income tax would have been "preferable".

Health-focused organisations and providers broadly welcomed the extra funding that would be raised by the levy, but voiced concerns about how the Government would ensure the share allocated for social care would increase over time.[25]

3. Legislating for the levy

3.1 Introducing the bill

On 8 September 2021, the House of Commons debated a ways and means resolution on the levy.[26] A short explanatory note published alongside the tabled motion had stated that, if passed, the resolution would:

> […] authorise the imposition of a tax on the earnings or profits of persons who pay national insurance contributions, or who would pay national insurance contributions but for the fact they are over state pension age. The proceeds of the tax are to be used only for the purposes of meeting the costs of health and social care. It would also authorise a temporary increase in the rates of national insurance contributions, with the proceeds being applied towards the cost of the National Health Service in England, Wales, Scotland and Northern Ireland.[27]

Jesse Norman, then Financial Secretary to the Treasury, opened the debate by setting out the Government's rationale for seeking to introduce the measure. Shadow Chancellor of the Exchequer Rachel Reeves then responded on behalf of the official opposition. She said:

> There are two tests for the package announced yesterday. First, does it fix social care? Secondly, is it funded fairly? The answer to both those questions is no. It is a broken promise, it is unfair, and it is a tax on jobs.[28]

After debate, the House of Commons divided on a Labour-sponsored amendment that would have required the Chancellor of the Exchequer to publish, no later than 5 April 2022, an "assessment of the impact of these measures on jobs and businesses", and a "distributional impact assessment of these measures on different income groups and regions". The amendment was rejected by 243 votes

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[24] Institute for Fiscal Studies, 'An initial response to the Prime Minister's announcement on health, social care and national insurance', 7 September 2021.

[25] See House of Commons Library, 'Health and social care levy', 14 September 2021. Examples include: King's Fund, 'The King's Fund responds to the announcement of a health and social care levy', 7 September 2021; Directors of Adult Social Services, 'ADASS responds to PM's announcement on adult social care reform plans and funding', 7 September 2021; Local Government Information Unit, 'LGIU statement: response to the Prime Minister's announcements on social care', 7 September 2021; and Nuffield Trust, 'Care providers, care users and workers will feel short-changed by proposed health and social care levy and reform', 7 September 2021.

[26] HC *Hansard*, 8 September 2021, cols 323–424.

[27] House of Commons, *Notes on Health and Social Care Levy Ways and Means Resolution*, 8 September 2021.

[28] HC *Hansard*, 8 September 2021, cols 324–7.

to 335, before the Government motion was approved by 319 votes to 248.[29] This paved the way for the bill to be introduced as a supply bill, founded on the ways and means resolution.

On 9 September 2021, the Leader of the House of Commons announced that the House would consider all stages of the bill on 14 September 2021.[30] On the same day, the Government published an HM Revenue and Customs 'tax information and impact note' on the proposed levy. This listed the expected economic, social and equalities impacts of the proposals. It said:

- The measure is anticipated to have a significant macroeconomic impact, with consequences including but not limited to for earnings, inflation and company profits. Behavioural effects are likely to be large, and these will include decisions around whether to incorporate or not, and business decisions around wage bills and recruitment.
- There may be an impact on family formation, stability or breakdown as individuals, who are currently just about managing financially, will see their disposable income reduce.
- This measure is also likely to disproportionately impact individuals whose income is predominantly made up of earnings or profits, as opposed to other forms of income such as property income, pension income or savings because the health and social care levy, as well as national insurance contributions, is not charged on those forms of income.[31]

3.2 Remaining stages

Second reading

Steve Barclay, then Chief Secretary to the Treasury, opened the second reading debate on 14 September 2021. He summarised the purpose of the bill as follows:

> Last week the Prime Minister announced a plan to tackle the NHS backlog, put the adult social care system on a sustainable long-term footing, and end the situation in which those who need help in their old age risk losing everything to pay for it. The Government's plan will make an extraordinary difference to the lives of millions of people across the country, and it will be funded with a record £36 billion investment in the NHS and social care. In order to pay for a significant increase in spending in a responsible and fair way, the bill introduces a new 1.25% health and social care levy based on national insurance contributions […]
>
> The levy will apply UK-wide to taxpayers liable for class 1 employee and employer, class 1A, class 1B and class 4 self-employed national insurance contributions. However, it will not apply where taxpayers pay class 2 or class 3 NICs. It will be introduced in April 2022, and from April 2023 it will also apply to those working over the state pension age. As my right hon. and hon. friends will understand, it takes time for Her Majesty's Revenue and Customs to prepare its systems for such a major shift. That is why, as set out in clause 5, in 2022/23 the levy will be delivered through a temporary increase in NICs rates of 1.25% for one year only.[32]

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[29] HC *Hansard*, 8 September 2021, cols 415–24. See also: House of Commons, 'Health and social care levy (ways and means)', 8 September 2021.

[30] HC *Hansard*, 9 September 2021, col 466.

[31] HM Revenue and Customs, 'Health and social care levy', 9 September 2021.

[32] HC *Hansard*, 14 September 2021, col 840.

James Murray, Shadow Financial Secretary to the Treasury, opened for Labour. He moved an amendment to decline to give the bill a second reading. This would be on the grounds that:

> […] notwithstanding the need to increase funding for health and social care, the bill raises money for an approach announced by the Government that fails to set out a plan to fix the crisis in social care, improve pay and conditions for social care workers, or clear the NHS waiting list backlog by the end of this Parliament, while breaking the Prime Minister's promise that no one will have to sell their home to pay for care; because it lacks a guarantee that Parliament will vote on a social care plan before spending the money it raises; and because it breaks the Government's promise not to increase national insurance, raising taxes on employment that will disproportionately hit working families, young people, those on low and middle incomes and businesses trying to create more jobs in the wider economy, whilst leaving income from other sources untouched.[33]

Mr Murray also criticised the bill being fast tracked. He accused the Government of "pushing through a new tax on working people and their jobs". He also questioned why the bill was being brought forward before details of the Government's social care reform plans for England had been published. This was a point repeated by Abena Oppong-Asare, Shadow Exchequer Secretary to the Treasury, who closed for Labour. She said:

> It has become increasingly clear that this Government do not have a plan to fix the social care crisis or to tackle spiralling NHS waiting lists. It is certainly not in this bill, which only says that the Chancellor will decide how to distribute the revenues between health and care. Even if we look at the broader proposals, it is clear that there is still no plan for social care. Indeed, the chair of the Health Committee made this point earlier. A promise of a white paper is simply not good enough. Despite the Government repeatedly stating that they have finally grasped the social care nettle, the small print reveals that only a fraction of this spending will go to social care over the next three years—and even that is not guaranteed.[34]

Jesse Norman closed the debate on behalf of the Government before the House voted against Labour's amendment by 249 votes to 327. The House then voted to approve the bill at second reading by 317 votes to 256.[35]

Committee stage and third reading

A number of amendments and new clauses were tabled to the bill at committee stage. These ranged from a Conservative backbench amendment that would have required an assessment of the additional costs of collecting the levy; SNP and Plaid-sponsored amendments that would have required agreement between the Treasury and the devolved administrations on levy allocations; and Labour-sponsored new clauses that sought to require the Chancellor to report on the impact of the levy in different ways. After debate on selected amendments, the House of Commons divided on three:

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[33] HC *Hansard*, 14 September 2021, col 845.

[34] ibid, col 883.

[35] ibid, cols 884–95.

- An SNP amendment to clause 2 to "require joint agreement between the Treasury and the governments of Scotland, Wales and Northern Ireland as to how the levy proceeds are to be shared between the four areas and between health care and social care". This was disagreed to by 56 votes to 324.
- A Labour-sponsored new clause to "require the Chancellor to report to the House on the impact of the act on tax revenue derived from different sources of income". This was disagreed to by 236 votes to 320.
- A Labour-sponsored new clause to "require the Chancellor to report to the House on the equality impact of the act". This was disagreed to by 240 votes to 320.[36]

With no amendments at committee stage, the bill's third reading followed immediately afterwards. The House agreed to read the bill a third time by 307 votes to 251.[37]

3.3 Justification for fast tracking

In its explanatory notes to the version of the bill introduced in the House of Lords, the Government explained why it has asked Parliament to fast track the bill.[38] This was in answer to a series of questions first posed in a House of Lords Constitution Committee report on fast tracking.[39] The Government provided the following justification:

> The legislation is required to be in place for the 2022/23 tax year, which starts on 6 April 2022. The increase in national insurance rates for that year will require changes to be made to the systems of employers and HMRC (including those designed to facilitate pay as you earn [PAYE]). To help ensure that people are not over or under taxed it is important for both those employers and HMRC to have as much time as possible to implement the changes. This is particularly important given all employers in the UK liable for NICs will be affected.[40]

4. Status of the bill: implications for the House of Lords

Supply bills

Bills founded upon ways and means resolutions are one form of what are known as 'bills of aids and supplies'.[41] These are usually referred to as supply bills in the House of Lords. They originate in the House of Commons and concern legislative authorisation of expenditure and/or taxes. Finance bills are the most common form of supply bill, but other examples from recent sessions include the Taxation (Cross-border Trade) Bill 2017–19 and the Taxation (Post-transition Period) Bill 2019–21.[42]

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36 HC *Hansard*, 14 September 2021, cols 896–940.

37 ibid, cols 941–7.

38 Explanatory Notes, p 3.

39 See House of Lords Constitution Committee, *Fast-track Legislation: Constitutional Implications and Safeguards*, 7 July 2009, HL Paper 116 of session 2008–09, pp 43–4.

40 ibid, pp 3–4.

41 Erskine May, 'Bills of aids and supplies', 2019.

42 UK Parliament, 'Taxation (Cross-border Trade) Act 2018', accessed 27 September 2021; and 'Taxation (Post-transition Period) Act 2020', accessed 27 September 2021.

The House of Lords may pass or reject supply bills, but the guide to parliamentary practice Erskine May explains that the House of Commons considers any attempt to amend such bills as an "intolerable breach of privilege".[43] Because of this, the committee stage for supply bills in the House of Lords is "invariably negatived".[44] This means proceedings after second reading are taken formally and no amendments are debated.

Money bills

A supply bill may or may not be certified as a 'money bill'. The Speaker of the House of Commons may certify a bill as a money bill in certain circumstances, including if in their opinion it contains only provisions dealing with national taxation.[45]

Speaker Hoyle certified the Health and Social Care Levy Bill as a money bill before it left the House of Commons. This means the bill could receive royal assent a month after having arrived in the House of Lords, with or without its agreement. The *Companion to the Standing Orders and Guide to the Proceedings of the House of Lords* explains:

> If a money bill, which has been passed by the Commons and sent up to the Lords at least one month before the end of a session, is not passed by the Lords without amendment within a month after it is sent to them, the bill shall, unless the Commons direct to the contrary, be presented for the royal assent without the consent of the Lords. This does not debar the Lords from amending such bills provided they are passed within the month, but the Commons are not obliged to consider the amendments. On a few occasions minor amendments have been made by the Lords to such bills and have been accepted by the Commons.[46]

5. Read more

- HM Treasury, *Illustrative Analysis of the Impact of 'Building Back Better: Our Plan for Health and Social Care' on Households*, 7 September 2021
- House of Commons Library, *Health and Social Care Levy Bill 2021–22*, 14 September 2021; *Proposed Reforms to Adult Social Care Announced in September 2021*, 10 September 2021; and 'Health and social care levy', 4 October 2021
- Institute for Government, 'Health and social care levy', 24 September 2021
- Ruth Fox and Dheemanth Vangimalla, 'The Health and Social Care Levy Bill: four questions about scrutiny and accountability', Hansard Society, 13 September 2021
- Chartered Institute of Taxation, 'MPs line up to criticise health and social care levy but it passes Commons', 17 September 2021
- Statement on 'Health and Social Care', HL *Hansard*, 9 September 2021, cols 940–55
- Debate on 'Social care funding: intergenerational impact', HL *Hansard*, 16 September 2021, cols 1586–1600

[43] Erskine May, 'Restrictions on the Lords' right to amend bills', 2019.
[44] Erskine May, 'Lords amendments to bills of aids and supplies', 2019.
[45] Erskine May, 'Commons procedure in passing money bill', 2019.
[46] House of Lords, *Companion to the Standing Orders and Guide to the Proceedings of the House of Lords*, 2017, p 142.

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