

National Insurance Contributions

National Insurance helps you to build up entitlement for some State Benefits including retirement pensions, and help pay for the National Health Service. If you are working in the UK you will pay National Insurance Contributions from the age of 16 and until you retire.

Do I have to pay a National Insurance Contribution (NIC)?

Yes, if you are working for an employer or are self employed you are required to pay if you earn more than a certain amount.

Is there a minimum level of pay where I have to contribute?

If your income falls below the lower limit allowance (£102 weekly in 2011-12) then you will not need to pay any contributions.

How much NIC will I have to pay?

12% on any gross pay between £102.01 and £817 a week and 2% on pay over £817 a week (2011-12).

How are NICs paid?

Your employer takes NICs from your pay at source and passes them on (along with your tax) to the Inland Revenue.

What if I have more than one job?

Each employment you have is looked at separately and each has the £102 lower limit allowance. If you do not earn above the lower limit in each job you will not pay NICs though you can make voluntary contributions. If, however, you think you are paying more than you should, you can contact the Contributions Office (details below).

What happens if I am unemployed or off sick from work?

Your NICs should still be credited to your contribution record if you are signing on as unemployed or by your employer if you are off sick.

What about NICs if I stay home to care for someone else?

If you are at home looking after a child under 16 for whom you receive Child Benefit or caring for someone for more than 35 hours per week and they are in receipt of certain benefits (eg attendance allowance) then you may be able to have NICs credited to your record.

For more detailed information see;

www.hmrc.gov.uk

www.adviceguide.org.uk/index or contact:

Inland Revenue National Insurance Contributions Office
Longbenton
Newcastle-upon-Tyne
NE98 1ZZ
Tel 0845 302 1479
Mon-Fri 8am-5pm