

TA.4

MAIN FEATURES OF NICS 1999-2000 TO 2019-20

	Rate in 1999-2000	Rate in 2000-01	Rate in 2001-02	Rate in 2002-03	Rate in 2003-04	Rate in 2004-05	Rate in 2005-06	Rate in 2006-07	Rate in 2007-08	Rate in 2008-09
Class 1										
Lower earnings limit (LEL) – a week	£66	£67	£72	£75	£77	£79	£82	£84	£87	£90
Primary threshold (PT) – a week	-	£76	£87	£89	£89	£91	£94	£97	£100	£105
Secondary threshold (ST) – a week	£83	£84	£87	£89	£89	£91	£94	£97	£100	£105
Upper Secondary Threshold (under 21) (UST) – a week (1)	-	-	-	-	-	-	-	-	-	-
Apprentice Upper Secondary Threshold (apprentice under 25) (AUST) – a week (2)	-	-	-	-	-	-	-	-	-	-
Upper accruals Point (UAP) – a week (3)	-	-	-	-	-	-	-	-	-	-
Upper earnings limit (UEL) – a week (4)	£500	£535	£575	£585	£595	£610	£630	£645	£670	£770
Primary contributions (employee)										
Main contribution rate (PT to UEL) (5)	10.0%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Additional contribution rate (above UEL)	-	-	-	-	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Contracted out rebate (LEL to UAP/UEL) (6) (7)	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Reduced rate for married women and widow optants (8)	3.85%	3.85%	3.85%	3.85%	4.85%	4.85%	4.85%	4.85%	4.85%	4.85%
Secondary contributions (employer)										
Contribution rate (above ST)	12.2%	12.2%	11.9%	11.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
Contracted out rebate (LEL to UAP/UEL) (7)										
- COSRS	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.7%	3.7%
- COMPS (9)	0.6%	0.6%	0.6%	1.0%	1.0%	1.0%	1.0%	1.0%	1.4%	1.4%
Class 1A and 1B										
Contribution rate (10)	12.2%	12.2%	11.9%	11.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
Class 2										
Flat-rate contribution – a week	£6.55	£2.00	£2.00	£2.00	£2.00	£2.05	£2.10	£2.10	£2.20	£2.30
Small earnings exception / Small Profits Threshold – a year (13)	£3,770	£3,825	£3,955	£4,025	£4,095	£4,215	£4,345	£4,465	£4,635	£4,825
Class 3										
Flat-rate contribution – a week (11)	£6.45	£6.55	£6.75	£6.85	£6.95	£7.15	£7.35	£7.55	£7.80	£8.10
Class 4										
Lower profits limit (LPL) – a year	£7,530	£4,385	£4,535	£4,615	£4,615	£4,745	£4,895	£5,035	£5,225	£5,435
Upper profits limit (UPL) – a year (4)	£26,000	£27,820	£29,900	£30,420	£30,940	£31,720	£32,760	£33,540	£34,840	£40,040
Main contribution rate (LPL to UPL)	6%	7%	7%	7%	8%	8%	8%	8%	8%	8%
Additional contribution rate (above UPL)	-	-	-	-	1%	1%	1%	1%	1%	1%

Table updated April 2019

**MAIN FEATURES OF NICS
1999-2000 TO 2019-20 (Continued)**

	Rate in 2009-10	Rate in 2010-11	Rate in 2011-12	Rate in 2012-13 (12)	Rate in 2013-14 (12)	Rate in 2014-15 (12)	Rate in 2015-16 (12)	Rate in 2016-17 (12)	Rate in 2017-18 (12)	Rate in 2018-19 (12)
Class 1										
Lower earnings limit (LEL) – a week	£95	£97	£102	£107	£109	£111	£112	£112	£113	£116
Primary threshold (PT) – a week	£110	£110	£139	£146	£149	£153	£155	£155	£157	£162
Secondary threshold (ST) – a week	£110	£110	£136	£144	£148	£153	£156	£156	£157	£162
Upper Secondary Threshold (under 21) (UST) – a week (1)	-	-	-	-	-	-	£815	£827	£866	£892
Apprentice Upper Secondary Threshold (apprentice under 25) (AUST) – a week (2)	-	-	-	-	-	-	-	£827	£866	£892
Upper accruals Point (UAP) – a week (3)	£770	£770	£770	£770	£770	£770	£770	-	-	-
Upper earnings limit (UEL) – a week (4)	£844	£844	£817	£817	£797	£805	£815	£827	£866	£892
Primary contributions (employee)										
Main contribution rate (PT to UEL) (5)	11.0%	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Additional contribution rate (above UEL)	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Contracted out rebate (LEL to UAP/UEL) (6) (7)	1.6%	1.6%	1.6%	1.4%	1.4%	1.4%	1.4%	-	-	-
Reduced rate for married women and widow optants (8)	4.85%	4.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%	5.85%
Secondary contributions (employer)										
Contribution rate (above ST)	12.8%	12.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%
Contracted out rebate (LEL to UAP/UEL) (7)										
- COSRS	3.7%	3.7%	3.7%	3.4%	3.4%	3.4%	3.4%	-	-	-
- COMPS (9)	1.4%	1.4%	1.4%	-	-	-	-	-	-	-
Class 1A and 1B										
Contribution rate (10)	12.8%	12.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%
Class 2										
Flat-rate contribution – a week	£2.40	£2.40	£2.50	£2.65	£2.70	£2.75	£2.80	£2.80	£2.85	£2.95
Small earnings exception / Small Profits Threshold – a year (13)	£5,075	£5,075	£5,315	£5,595	£5,725	£5,885	£5,965	£5,965	£6,025	£6,205
Class 3										
Flat-rate contribution – a week (11)	£12.05	£12.05	£12.60	£13.25	£13.55	£13.90	£14.10	£14.10	£14.25	£14.65
Class 4										
Lower profits limit (LPL) – a year	£5,715	£5,715	£7,225	£7,605	£7,755	£7,956	£8,060	£8,060	£8,164	£8,424
Upper profits limit (UPL) – a year (4)	£43,875	£43,875	£42,475	£42,475	£41,450	£41,865	£42,385	£43,000	£45,000	£46,350
Main contribution rate (LPL to UPL)	8%	8%	9%	9%	9%	9%	9%	9%	9%	9%
Additional contribution rate (above UPL)	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%

Table updated April 2019

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MAIN FEATURES OF NICS 1999-2000 TO 2019-20 (Continued)

	Rate in 2019-20 (12)
Class 1	
Lower earnings limit (LEL) – a week	£118
Primary threshold (PT) – a week	£166
Secondary threshold (ST) – a week	£166
Upper Secondary Threshold (under 21) (UST) – a week (1)	£962
Apprentice Upper Secondary Threshold (apprentice under 25) (AUST) – a week (2)	£962
Upper accruals Point (UAP) – a week (3)	-
Upper earnings limit (UEL) – a week (4)	£962
Primary contributions (employee)	
Main contribution rate (PT to UEL) (5)	12.0%
Additional contribution rate (above UEL)	2.0%
Contracted out rebate (LEL to UAP/UEL) (6) (7)	-
Reduced rate for married women and widow optants (8)	5.85%
Secondary contributions (employer)	
Contribution rate (above ST)	13.8%
Contracted out rebate (LEL to UAP/UEL) (7)	
- COSRS	-
- COMPS (9)	-
Class 1A and 1B	
Contribution rate (10)	13.8%
Class 2	
Flat-rate contribution – a week	£3.00
Small earnings exception / Small Profits Threshold – a year (13)	£6,365
Class 3	
Flat-rate contribution – a week (11)	£15.00
Class 4	
Lower profits limit (LPL) – a year	£8,632
Upper profits limit (UPL) – a year (4)	£50,000
Main contribution rate (LPL to UPL)	9%
Additional contribution rate (above UPL)	2%

Table updated April 2019

- (1) From 6 April 2015 employers with employees under 21 years old do not pay Class 1 secondary National Insurance contributions (NICs) on earnings up to the Upper Secondary Threshold (UST) for those employees.
An employer must choose the appropriate National Insurance contribution category letter to have the exemption applied
- (2) From 6 April 2016 employers of apprentices under 25 years old who are following an approved UK government statutory apprenticeship framework do not pay Class 1 secondary National Insurance contributions (NICs) on earnings up to the Apprentices Upper Secondary Threshold (AUST) for those apprentices. An employer must choose the appropriate National Insurance contribution category letter to have the exemption applied.
- (3) The upper accruals point was introduced in April 2009 until April 2015-16. It is no longer needed after the contracting out rebates are abolished from 2016-17 onwards.
- (4) From April 2009 the upper earnings limit and upper profits limit were aligned to the income tax higher rate threshold.
- (5) Between LEL and UEL for 1999-2000.
- (6) For Appropriate Personal Pension Schemes (APPS) both employer and employee pay NICs at the full contracted-out rate and in the following tax year on submission of the end-of-year returns HMRC pay an age related rebate direct to the schemes. The employee's share of this rebate is 1.6%.
- (7) Up to and including 2008-09, the rebate applies between the LEL and the UEL. From 2009-10 onwards the rebate applies between the LEL and UAP.
The rebates are abolished from 2016-17 onwards.
- (8) Married women opting to pay contributions at the reduced rate earn no entitlement to contributory National Insurance benefits as a result of these contributions.
No women have been allowed to exercise this option since 1977.
- (9) For employers operating a COMPS, in addition to the reduction shown in secondary Class 1 contributions, in the following tax year on submission of end-of-year returns, HMRC pay an additional "top-up" rebate direct to the scheme. As with APPS, this rebate is age related. COMPs are abolished from 2012-13 onwards.
- (10) From April 2000 the Class 1A liability for employers was extended from company cars and fuel to include other taxable benefits not already attracting a Class 1 liability.
Class 1A and Class 1B contributions are paid in the year following accrual.
- (11) Class 3 contribution rules changed in 2009-10 to allow those reaching state pension age before April 2015 with 20 qualifying years to purchase up to 6 additional years.
- (12) From 2012-13 the default indexation assumption for NICs is CPI (excluding the secondary threshold up until 2016-17).
- (13) The Small Profits Threshold replaced the Small Earnings Exception on 6 April 2015.

Notes:

Class 1 National Insurance Contributions (NICs)

Class 1 NICs are earnings related contributions paid by employed earners and their employers. Liability starts at age 16 and ends at State Pension age for earners; employers continue to pay beyond State Pension age. Up to April 2016 the contributions were paid at either the contracted-out rate or the not contracted-out rate. The contracted-out rate, abolished in April 2016, was payable only where the employee was a member of a contracted-out occupational scheme in place of State Second Pension (formerly SERPS). Class 1 NICs are collected by HMRC along with income tax under the Pay As You Earn (PAYE) scheme.

Class 1A National Insurance Contributions (NICs)

Class 1A NICs are paid only by employers on the value of most taxable benefits-in-kind provided to employees, such as private use of company cars and fuel, private medical insurance, accommodation and loan benefits. They do not give any benefit rights.

Class 1B National Insurance Contributions (NICs)

Class 1B NICs were introduced on 6 April 1999. Like Class 1A they are also paid only by employers and cover PAYE Settlement Agreements (PSA) under which employers agree to meet the income tax liability arising on a restricted range of benefits. Class 1B is payable on the value of the items included in the PSA that would otherwise attract a Class 1 or Class 1A liability and the value of the income tax met by the employer. They do not give any benefit rights.

Class 2 National Insurance Contributions (NICs)

Class 2 contributions are a flat rate weekly liability payable by all self-employed people over 16 (up to State Pension age) with profits above the Small Profits Threshold. Self-employed people with profits below the Small Profits Threshold may pay Class 2 contributions voluntarily. Voluntary payments of Class 2 NICs are typically collected through self-assessment but can usually be paid up to six years after the tax year. Class 4 NICs may also have to be paid by the self-employed if their profits for the year are over the lower profits limit (see below).

Class 3 National Insurance Contributions (NICs)

Class 3 NICs may be paid voluntarily by people aged 16 and over (but below State Pension age) to help them qualify for State Pension if their contribution record would not otherwise be sufficient. Contributions are flat rate and can be paid up to six years after the year in which they are due.

Class 4 National Insurance Contributions (NICs)

Class 4 NICs are paid by the self-employed whose profits are above the lower profits limit. They are profit related and do not count for any benefits themselves.