

NATIONAL INSURANCE RATES 2011-12

Class 1 (Employed)

Not-contracted out

	Per Week	Per Month
Employees:		
Lower Earnings Limit	£102	£442
Earnings (Primary) Threshold	£139	£602
Upper Accrual Point	£770	£3,337
Upper Earning Limit	£817	£3,540

Employers:

Earnings (Secondary) Threshold	£136	£589
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Rates (Not contracted-out):

Employee:	Up to £139 per week	NIL
	Between £139 and £817 per week	12%
	Over £817 per week	2%
Employer	Up to £136 per week	NIL
	Over £136 per week (No upper limit)	13.80%

Class 1A 13.80% Employers pay on most employee benefits

Class 1B 13.80% Employers pay on PAYE settlement agreements

Notes

Lower Earnings Limit (LEL) is the minimum level of earnings that an employee needs to qualify for benefits, such as State Pension and Jobseeker's Allowance.

Secondary Threshold (ST). When earnings exceed this level NICs become payable by the employer.

Primary Threshold (PT). When earnings exceed this level NICs become payable by the employee.

Upper Accrual Point (UAP). The UAP is set at £770 a week, £3337 a month and £40,040 a year. Employers and their employees who are members of contracted-out occupational pension schemes pay NICs at the reduced contracted-out rate up to the UAP only. They then pay NICs at the higher standard rate on the employee's earnings between the UAP and the UEL.

Upper Earnings Limit (UEL). Where earnings exceeded the UEL, the employee pays NICs at 2% on those earnings above the UEL. The UEL doesn't apply to employer's NICs, which are payable on all earnings above the ST, including those above the UEL, at the appropriate rate.