

NATIONAL INSURANCE RATE CHANGES

Please take note that there may be a Rate Change in regard to your contract. Because of the changes in National Insurance from the 6th April, all rates have had to be amended.

The ENIC actually paid by employers for various weekly wages ranges from £110 p/w to £1000 p/w. For lower wages, more ENIC is paid in 2010/11 than in 2011/12 as the excess over the Lower Level is minimal. However as the weekly wage rises above **£468.80** then the excess is large enough to mean that the ENIC paid in 2011/12 is more than the previous year.

Where employers have employees earning around £21,000 or less, the combination of the increased Employer's NI threshold and the 13.8% rate means that the overall Employer's NI liability is the same or less from 6 April 2011 than in the current tax year.

However, where employees earn more than around £21,000, the combination of the increased threshold and 13.8% rate means that the Employer's NI charge will be greater from 6 April 2011 than in the current tax year. For example, the increase in Employer's NI for an employee earning £40,000 per annum is about £190.

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