

## About these notes

These notes tell you about the conditions you need to satisfy to apply for deferment of payment of Class 1 National Insurance contributions (NICs). Please read these notes before you complete form CA72A, *Application for Deferment of Payment of Class 1 National Insurance contributions (NICs) for 6 April 2007 to 5 April 2008*

## Introduction

The law states that you must meet all NICs liabilities as an employee in all of your employments.

But, if you have more than one job and expect to pay primary Class 1 NICs on earnings of at least:

- £670.00 each week, (£2,904.00 each month) throughout the whole tax year in one job, **or**
- £770.00 each week, (£3,339.00 each month) throughout the whole tax year in two jobs,

you can ask to defer paying some of your Class 1 NICs in any other job(s) you have, until we can calculate the correct amount of NICs due after the end of the following tax year.

### For example

If, in the tax year 2007 - 2008 you

- have two jobs, **and**
- expect to pay Class 1 NICs on earnings of at least the weekly Upper Earnings Limit (UEL) of £670.00 (£2,904.00 monthly), throughout the whole tax year in one of these jobs,

you can ask to defer payment in the other job.

If you do not pay enough Class 1 NICs in your main job(s) you may have to pay further NICs in respect of your earnings in your deferred employments.

### Important

**Even if we allow you Class 1 deferment, you will still have to pay Class 1 NICs at a rate of 1% on all earnings above the employees Earnings Threshold (£100.00 each week, or £435.00 each month or equivalent amounts if you are paid at other intervals), in each deferred job(s).**

## Class 1 NICs

You must pay primary Class 1 NICs if:

- you work as an employee in the UK, **and**
- you are 16 or over and under State Pension age (currently 60 for women, 65 for men), **and**
- your earnings exceed the employee's Earning Threshold.

## State Pension age and deferment

We do not usually allow deferment of Class 1 NICs for the tax year in which you reach State Pension age. If you reach State Pension Age during 2007-2008 we will not expect you to apply. But we can consider deferment if you can show that by the time you reach State Pension age, you expect to pay maximum Class 1 NICs for the tax year with your main employment(s).

### For example

If you are a director of a company with an Annual Earnings Period you may pay enough Class 1 NICs before State Pension age.

## Pension Plans

### Appropriate Personal Pension (APP), Appropriate Personal Pension Stakeholder Pension (APPSHP) schemes and deferment

When we make payments of 'minimum contributions' to an APP or APPSHP arrangement, we only take into account your earnings from jobs where you have paid Standard (A) Rate Class 1 NICs.

If you apply for deferment and our records show that you have one of these schemes, we will look at ways of deferring your Class 1 NICs that will not affect your pension. If we cannot do this we will initially refuse deferment as it may have a negative impact on your pension arrangements. However, we can still allow deferment if you insist that it is still necessary.

### Contracted-out Money Purchase (COMP), Contracted-out Money Purchase Stakeholder Pension (COMPSHP) schemes and deferment

If your earnings attract deductions under these schemes, those jobs will be given preference (wherever possible) as main employment(s) over Contracted-out Salary Related schemes and State Second Pension. If any jobs do attract COMP or COMPSHP deductions you should tell us on form CA72A.

COMP or COMPSHP deductions do not take preference over jobs that attract APP or APPSHP deductions, but we will look at ways of deferring your Class 1 NICs that will not affect your pension.

## Third party applications

If you want us to deal with a third party, we need signed written consent. This authority overrides any earlier authority submitted to HM Revenue & Customs (HMRC).

If you want an accountant, advisor or someone to act on your behalf in connection with any matter involving HMRC, please fill in form 64-8 *Authorising your agent* and send it with your deferment application to the address shown at 'How to contact us for help' overleaf.

You can get a copy of form 64-8 from:

- the orderline by phone or textphone on **0845 900 0404** or fax on **0845 900 0604**, from 08.00 to 22.00, 7 days a week, (excluding Christmas day)
- email at [saorderline.hmrc@gtnet.gov.uk](mailto:saorderline.hmrc@gtnet.gov.uk)
- any Enquiry Centre. Details can be found in The Phone Book under 'HM Revenue & Customs'
- HMRC website at 'Forms and notes available to download' [www.hmrc.gov.uk/menus/otherforms.htm](http://www.hmrc.gov.uk/menus/otherforms.htm)

## How to apply

If you satisfy the conditions for deferment of Class 1 NICs, please fill in and sign the application form CA72A we have sent you with these Notes, then send it back to us.

## When to apply

You should send us your application form as soon as possible before 6 April 2007, but we will accept it up to 14 February 2008.

If we get your application between 14 February 2008 and 5 April 2008 we will only consider it with the agreement of your deferred employer(s).

This is because we may not have enough time to process it, and your employer may not be able to give you a refund before they complete their End of Year Returns.

## After you apply

When we get your application we will consider it. To help us we may ask you to send us some payslips.

## If we can allow you to defer

We will decide and let you know:

- who you will have to pay Class 1 NICs with (we will call this your main employer(s)), **and**
- which employer(s) you can defer payment with.

We will send your deferring employer(s) a deferment certificate. This asks them to deduct NICs at a rate of 1% on all your earnings above the employees Earnings Threshold during the 2007-2008 tax year

We will ask them to:

- adjust their records, **and**
- give you a refund of any over-deduction.

We will not give your employer(s) any information about your other job(s).

## After the end of the tax year

We will look at your NI account to check that you have paid enough Class 1 NICs in your main employment(s).

**If you have not paid enough Class 1 NICs and you owe money, we will write to ask you for payment.**

## What happens next year

We will, if appropriate, invite you to renew your deferment before the start of the next tax year.

## If we cannot allow you to defer

We will write to you to tell you why.

## Notifying us of changes

You must tell us at once if:

- any job ends or starts, **or**
- you take out an APP or APPSHP, **or**
- any job that is currently not contracted-out becomes contracted-out during the tax year, **or**
- you move home.

## Too late to apply

If you:

- had two or more jobs in a previous tax year, **and**
- did not apply for deferment of Class 1 NICs, **and**
- think you may have overpaid Class 1 NICs in that tax year

you may be able to get a refund of Class 1 NICs. If you think you are due a refund, write to the address below and tell them why.

**HM Revenue & Customs  
National Insurance Contributions Office  
Refunds Group  
Benton Park View  
Newcastle upon Tyne  
NE98 1ZZ**

## How to contact us for help

To contact us either:

- phone Deferment Services on **0845 915 7141** (Monday to Thursday 08.30 to 17.00, Friday 08.30 to 16.30), or
- write to:  
**HM Revenue & Customs  
National Insurance Contributions Office  
Deferment Services  
Benton Park View  
Newcastle upon Tyne  
NE98 1ZZ**

When you contact us, please tell us your full name, National Insurance number and a daytime phone number.

## If you are employed and self-employed

If you expect to pay:

- primary Class 1 NICs as an employee, **and**
- Class 2 and/or Class 4 NICs as a self-employed person

you can ask to defer some of your Class 2 and/or Class 4 NICs until we can calculate the correct amount of NICs due after the end of the tax year. To find out about deferring Class 2 and/or Class 4 NICs, please see 'How to contact us for help' above.

## Improving our service to you

We are always pleased to receive your comments and suggestions about how we can improve our service. Please contact us at the address and phone number shown above if you have any comments or are unhappy with our service.